# FINANCIAL TIMES

Weekend

Section 2



The night the innocents died



Cruise control: four pages on holidays afloat



Drawn to the erotic



about the danger of a deep reces-

sion in Mexico. That is the bot-tom line." The peso recovered

earlier gains and strengthened

near the end of trading to 5.5 to

Zedillo's decision, but urged the

Mexican government to act with

The US yesterday backed Mr

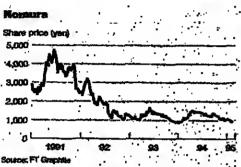
the dollar.

Revolutionary in the style hothouse

World Business Newspape

WEEKEND FEBRUARY 11/FEBRUARY 12 1995

#### Japanese stocks weakness forces Nomura into loss



The severity of the Japanese stockbroking crisis was underlined when Nomura Securities, the broker whose name was once synonymous with Japan's financial might, declared the first loss in its history. The company said the continuing weekness in domestic equity markets and losses in overseas subsidiaries had produced a Y20km (\$202m) pre-tax loss for the group in the 10 months to January 31.

inance Director

(Designate)

Settlement for Maxwell pensioners: Thirty thousand pensioners won a £276m (\$428m) settle-ment from the remnants of the late Robert Maxwell's failed media empire and from investment hanks and accountants. Page 22

Samsung 450% ahead: Samsung Electronics, South Korea's largest electronics company, reported a 450 per cent increase in provisional net profits for 1994 to won850bn (\$1.07bn) due to increased exports for semiconductors. Page 5

**Eurotunnel misses target:** Eurotunnel, the Channel tunnel operator, achieved revenues of £30.6m (\$47.4m) in 1994, its first year of operating train services, but blamed a dispute with the French and UK railways for failing to reach its revised target of nearly £35m. Page 5

Modest rise in wholesale prices: US wholesale prices rose 0.3 per cent last month, with a sharp increase in energy prices partly offset by declining food costs, the Labour Department said.

Toyota lifted by cost-cutting: Toyota, Japan's largest car maker, reported a more than nine-fold increase in first-half operating profits to Y87.1bn the Japanese market. Sales grew 2 per cent to Y4.070bn. Page 5

Tokyo's deregulation plans attacked: The European Commission said Japan's proposed measures for deregulation of the economy were "very disappointing" and called on Tokyo to adopt "clear, unequivocal commitments" in its final five-year plan to be announced in March. Page 3

First call on WTO's disputes procedure: Singapore and Venezuela have set in train proceed-ings which could trigger for the first time the World Trade Organisation's politically controversial new machinery for resolving international trade con-

FT-SE 100 Index

Footsle up 50 points on week to 1995 high A successful week in the UK equity market was sustained during yester-day's trading session when the FT-SE 100 Share Index closed at a 1995 peak of 3,114.6, refusing to be ruffled by falls in British govern ment bonds. The Footsie gained just over 50 points, or 1.6 per cent, on the week, reflecting the view that upward pres-sures on interest rates

are slackening. Page 19;

Lloyds Bank reports profits of £1,3bn: Lloyds Bank of the UK announced a 26 per cent rise in pre-tax profits to £1.3bn (\$2bn), ahead of market expectations, as its retail banking business showed signs of resumed growth. Page 6; London stocks. Page 19; Lex, Page 22

No bugging devices: No electronic bugging devices were found in an office provided for Sinn Péin delegates involved in talks earlier this week with British government officials in Belfast, the Royal Ulster Constabulary said. The Sinn Fain team walked out of the talks saying a scanner had picked up signs of a monitoring device.

Companies in this issue 6 QVC 6 Recep 5 Rolls-Royce Euroturnel 8 Samsung Electronics Forte 6 Senior Eng a TCI Kingfisher Lloyds Bank 8 Toyota McAlpine (Alfred 5 Trafalger House NEC 5 Trygg-Hanse 5 Unitever 6 Warburg (SG) Northern Electric

22 Wimpey (George

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Prudential

Marcos: the first photograph

City and George Graham

Heavy troop movements were reported yesterday in Mexico's southern state of Chiapas after President Ernesto Zedillo amounced a crackdown on a 13-month peasant uprising

By Lesile Crawford in Mexico

The decision by Mr Zedillo to go on the offensive against the Zapatista guerrilla group repre-sented a sharp shift in strategy

by the president, who had emphasised the need for dialogue with the rebels.

According to the president, the move followed the discovery of arms caches in Mexico City and the state of Vera Cruz. He said this showed the guerrillas' strategy was "to buy time in order to arm themselves and broaden their operations through further

acts of violence" received training in guerrilla He ordered the arrest of tha Zapatista leadership, including its charismatic

chief, Subcomandante Marcos. He identified Marcos as Rafael Sebastian Guillen Vicente, 37, a one-time philosophy lecturer known for his Marxist leanings st Mexico City's Autonomous University. Vicente's family say they have not seen him for eight years. He is also said to have lived in Paris and in Nicaragua. where he is supposed to have

Mexico cracks down on peasant uprising

The Mexican stock market rallied following the president's

"restraint, respect for human rights and full compliance with cent in mid-day trading. How-ever, Mr Geoffrey Dennis of Bear the legal process Stearns in New York said he A statement issued by the helieved the rally would he short-lived. "We are still worried State Department said that "gov-ernments have the right and

> izens against violence, while, at the same time, respecting their human rights". US officials have been concerned that the crackdown might

responsibility to protect their cit-

Continued on Page 22 Currencies, Page 10

# Apple lawsuit a threat to new Microsoft launch

By Louise Kehoe in San Francisco

The launch of Windows '95, the next version of the widely-used personal computer operating system made by Microsoft of the US, could be caught up in the copy-right infringement law suit filed this week by Apple Computer.

Apple is seeking a court order preventing Microsoft from distributing any product containing the disputed software. Apple contends in its suit that Microsoft has announced that the disputed software is a part of Windows '95. Microsoft, however, yesterday strongly denied that software in question

The issue is critical for the personal computer industry, which is eagerly awaiting the planned launch of Windows '95 in August. The new Microsoft operating system program is expected greatly to improve the performance and ease of use of personal computers. Industry analysis expect 20m copies to be sold worldwide within 12 months of the introduction. For Microsoft. Windows '95

is the all-important new version of its best-selling product.
Mr Carl Stork, Microsoft's

director of Windows hardware development, said that "none of the disputed code is part of Windows '95 or current versions of Windows". The original code, obtained from Intel, which is also being sued by Apple, had been rewritten by Microsoft, he stated.

In its lawsuit filed in a California district court Apple charged that Video for Windows, a Microsoft product jointly developed with Intel and already on the market, is in large part based upon copyrighted software included in Apple's Quicktime for

Apple also sought to include in its action any future programs which might contain the disputed actiware - such as Windows '95. Video for Windows and Quicktime for Windows programs enable PCs to display movie quality video, rather than the choppy

quality of earlier programs, Elements of both programs were developed on behalf of Apple and Intel by a small San Francisco software firm called

San Francisco Canyon. Apple filed suit against Canyon in December, charging that it had illegally transferred source code from Quicktime for Windows to Intel. On Thursday, Apple expan-ded the suit to include charges against Intel and Microsoft.

The competing products enable PCs to display high quality video. They are incorporated in "development kits" distributed to third party software developers which create application programs such as multimedia games.

A serious concern for Apple is that third party software developers may be less likely to create new programs for the Apple Mac-PCs based on Intel chips and Microsoft's Windows operating system match the performance of those available for the Apple Macintosh.

The company said it was offering an "amnesty" to third party developers who had used the software in products that were already on the market. Apple is, however, demanding a halt to the launch of new products that contain the disputed software.



Russian president Boris Yeltsin answers journalists' questions during the summit of the Commonwealth of Independent States in Kazakhstan. The states were unable to agree on many economic and security issues Details and dilemma for Yeltsin, Page 2

### Europe row grows in UK cabinet

By John Kampfner, stminster Correspondent

The UK cabinet fight over Europe intensified yesterday as Mr Micbael Portillo, employment secre-tary, accused Mr Kenneth Clarke, the chancellor of the exchequer, of undermining the prime minister's authority.

Mr Portillo's outburst provided further evidence that attempts at forging a compromise over the contentious question of economic and monetary union continue to elnde Mr John Major.

It was a speech by Mr Clarke oo Thursday night, which was widely seen as an attempt by pro-Europeans in the ruling Conservative party to recapture ground lost in cabinet in recent months, that has infuriated Eurosceptics. Mr Portillo, the sceptics' standard bearer in cabinet, rebutted

ily lead to a loss of sovereignty. Carefully using Mr Major's own phraseology, Mr Portillo said: "It is a constitutional issue. I think we all have our opinions about what might happen later, but giving voice to those personal opinions will not help. What we have is a settled policy, settled by the prime minister for 1996-1997."

etary union would not necessar

Mr Clarke said Mr Major had "worked with him" on his speech. The assertion appeared to take Downing Street by surprise. An official made clear that io common with past practice Mr

Continued on Page 22 Young Conservatives offer rebels an anti-EU platform, Page 4

### UK minister attacked as air chief leaves in residence row

By Kevin Brown and mard Gray in London

Mr Malcolm Rifkind, UK defence ecretary, was under fire from MPs yesterday after Air Chief Marshal Sir Andrew "Sandy" Wilson agreed to take early retirement from the Royal Air Force over a £380.000 (\$589,000) renova-

tion bill for his official residence. The defence ministry refused to confirm claims at Westminster that Sir Sandy, the RAF's head of personnel and training, was dismissed following a critical report on the renovations by KMPG Peat Marwick, the accountants.

However, the MoD released a terse exchange of letters in which Sir Sandy made clear that he had agreed to take early retirement "with great regret" to relieve pressure on the air force and his

Mr Rifkind said thet Sir Sandy's departure after a "distinguished" 35-year career was "in ests". Mr Rifkind is understood to have told Sir Sandy that he no

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Sir Sandy's renovation bill included £30,000 for curtains and pelmets. An interior designer twice flew to Germany to discuss fittings with Sir Sandy. Nevertheless, there was resent-

ment among senior officers, some of whom said Sir Sandy had been made a scapegoat for politicians. Some ministers were also uneasy. One said that Mr Rifkind was eeeking to demonstrate his ss on the wrong issue. Another linked the "unwise" treatment of Sir Sandy to the government's embarrassment

private sector. Mr David Clark, the opposition defence secretary, accused Mr Ritkind of ducking questions by announcing Sir Sandy's resignation in a written answer from Mr Nicholas Soames, armed forces minister, instead of making a

about big salary increases in the

Commons statement. "Sir Sandy has made several grave errors of judgment. But he is not the only one at blame. This

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FT World Actuaries.

Foreign Exchanges \_\_\_\_\_10

CONTENTS

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Man in the News

longer retained the full confi- is another episode in an ongoing catalogue of political mismanage-ment and lack of financial control in the MoD," he said.

Mr Bruce George, Labour chairman of the cross-party Commons defence committee, said he would call for an inquiry into the management of the 78 official service residences which house senior officers from all three

armed services.

The KPMC report, drawn up after an inquiry prompted by Labour complaints about the high running costs of senior offi-cers' houses, said there were "significant failures on control" at Sir Sandy's residence, Haymes Garth, near Cheltenham. Haymes Garth is expected to be sold.

The report also found "serious systemic weaknesses in procedures and controls" in properties controlled by RAF strike com-

Minor irregularities were also found in army and Royal Navy

A homemaker bails out, Page 8

London Shares ..... World Commodities

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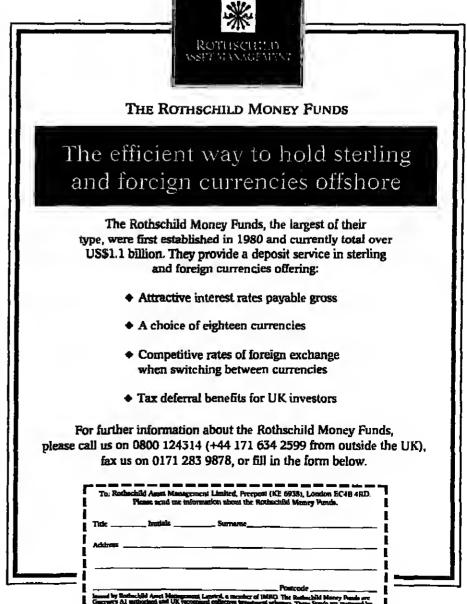
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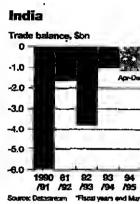
### Modest gain in US prices

US wholesale prices rose modestly in January with a sharp increase in energy prices partly offset by declining food costs. The Labour Department said its producer price index rose 0.3 per cent last month, after moving up by a revised 0.4 per cent in December instead of the 0.2 per cent gain previously reported. Food prices dropped 0.5 per cent in January. compared with December's revised increase of 1.4 per cent. Energy prices jumped 2.3 per cent last month, compared with December's revised draw of 1.2 per cent last month. ber's revised drop of 1.0 per cent. After factoring out volatile food and energy prices, the department said the "core" PPI rose 0.2 per cent, after a revised 0.3 per cent in December. Economists on average had expected both the overall index and the core rate to rise by 0.4 per cent. The inflation-sensitive 30-year US Treasury bond jumped after the report, gaining of a point, or \$3.4375 per \$1,000 face value, and its yield slipped to 7.61 per cent from 7.68 per cent on Thursday. Reuter, Washington

#### Judge quits in graft protest

Judge Ventura Pérez Marino, a high court magistrate co-opted into the Spanish parliament by the ruling Socialist party, said yesterday he would resign because the government had not done enough to curb corruption. His resignation will embar-rass Mr Felipe González, the prime minister, but it leaves the government's majority unchanged as Mr González can now co-opt a replacement. Mr Pérez Mariño's break with the Socialist party mirrors that of fellow judge Mr Baltasar Garzón in May last year, and threatens to heighten a confrontation between the government and the judiciary over the handling by the courts of sensitive political scandals. Mr González co-opted the two judges onto the Socialist party lists in the June 1993 general elections as part of his strategy to broaden the government's appeal. Tom Burns, Madrid

#### Indian exports rise sharply



per cent to \$18.3bn (£11.8bn) in the nine months from April to December, the Commerce Ministry said yesterday. But the trade deficit widened as imports grew to \$20.3bn. Imports of petrol, oil and lubricants declined by 2.1 per cent but non-oil imports increased by 33.1 per cent. The ministry said exports in December rose 29 per cent over December 1993 to a record \$2.3bn. It said that the 20 per cent target for growth in exports in fiscal 1994-95 was attainable, despite a

India's exports rose nearly 17

Source: Delizarezan Fiscal years and March plague scare late last year which led to a virtual quarantine of India. AFP, New Delhi

#### Finnish interest rates raised

Finland's central bank yesterday followed Sweden by raising short-term interest rates to forestall fears of resurgent inflation. The bank raised its "tender rate" for short-term money market lending by 25 basis points to 5.75 per cent. It warned of "a marked rise in inflation expectations and cost pressures which pose a threat to price stability and hence to sustained

The extent of the bank's anxiety not to allow inflation to e-emerge appears excessive, given that inflation in Finland last year reached just 1.1 per cent. The reappearance of inflation is much more pronounced in Sweden, where the economy is threatened by a yawning budget deficit. But the Finnish bank is nevertheless concerned that a return to rapid growth now under way after a deep recession could rekindle inflation. Gross national product grew by almost 4 per cent last year and is forecast to rise by more than 5 per cent in 1995. Hugh Carneou, Stockholm

#### German bus takeover cleared

Mercedes can take over Kaessbohrer, a big manufacturer of tourist and intercity buses in Europe, the European Union advisory panel on mergers recommended yesterday. The issue will now go to the Commission for confirmation next week.

The panel dropped its earlier opposition to the merger on the grounds that the two companies would control 60 per cent of the German bus and coach markets. It was argued that the deal would not dramatically change the structure of the German bus market, while it was vital for the survival of debt-ridden Kaessbohrer. Rival German bus-makers had not objected.

# Yeltsin faces dilemma over pay rise vote By Chrystia Freeland in Moscow the finance winter the finance

By Chrystia Freeland in Moscow

Russia'a parliament yesterday decided to double the minimum wage, giving President Boris Yeltsin a tough political choice between backing the domestically popular bill or blocking it to ensure western

The decision to raise the minimum wage to R54,000 (about £8.30 a month, passed by the lower house of parliament last month, was approved by an overwhelming majority of deputies in the upper chamber yesterday.
Unless Mr Yeltsin exercises
his authority to veto the bill. the wage rise will doom the 1995 budget and kill Russia's chances of receiving a \$6.25bn (£4bn) standby loan from the International Monetary Fund. Russian officials said.

"This wage increase would undermine the budget and destroy our prospects of an agreement with the IMF," said Mr Maksim Boyko, deputy head of the reformist government commission on economic

The budget department of

the finance ministry estimates that, because of the link between the minimum wage and pensions and other state entitlements, implementing the legislation would cost the government R159,000bn more. The added costs would more than double the government's target budget deficit of about 7.7 per cent of GDP, according to offi-

cial Russian calculations. Earlier this week, Mr Victor Chernomyrdin, the prime minister, sent deputies a written appeal not to approve the legislation on the grounds that the 1995 budget "does not envisage

But parliamentarians, who voted for the bill in a roll call ballot, were unconvinced by the government's arguments and unwilling to bear the polit-ical heat for keeping the mini-

of less than £3.20 a month. The government can find money to protect millions of innocent impoverished citizens from the same source that funded the war in Chechnya," said one deputy, Mrs Elena

mum wage at its current level

By approving the bill, which calls for the wage increase to perliamentarians have put Mr Yeltsin in a tight corner. If he vetoes the bill, as reformers in the government are predicting. he will incur the wrath of millions of Russians.

"One must not trap the president all the time," said Mr Gennadi Melikyan, the minister of labour. He said the perliament's decision put Mr Yeltsin in an uncomfortable position because he has just vetoed the minimum pension bill, and if he kills the minimum pay bill as well, it will turn out that the parliament is

a time of unprece ray among democratic, pro-reform forces and a growing divide between Mr Yeltsin and the democrats.

Russia's Choice, once the leading reform party, has been critically weakened by disagreements over the Chechnya war which this week prompted Mr Yegor Gaidar, the party leader who, as prime minister. led Russia's first attempt at economic reforms, to declare his opposition to Mr Yeltsin's

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### CIS summiteers grope warily for post-Soviet role

By John Thombill in Alma Ata

It is hard enough to organise a summit of 12 countries at any time, but when the states involved share a close and, at times, traumatic past, as in the Commonwealth of Independent States, the task is trickier still. The organisers of the 17th CIS summit held yesterday in Alma Ata, capital of Kazakh-stan, had to tread warily as the leaders of the newly independent states, all groping to find their place in the post-Soviet era, grapple with common security and economic issues.

Procedural correctness suggests that the presidents are seated in alphabetical order. But that means that the heads of Armenia and Azerbaijan, still at loggerheads over the disputed region of Nagorno-Karabakh, end up sitting next to each other. Such sensitivi-ties - and Russia's dominant part - ensured that little progress was made on creating common external borders to he guarded by CIS troops. Suspi-

cions run too deep. Other regional jealousies are prone to surface. Mr Nursultan Nazarbayev, the president of Kazakhstan, who hosted the summit, has been keen to promote his country as the leading political force in central Asia. But that has provoked frostiness with Mr Islam Karimov, president of neighbouring Uzbekistan, who sees himself in a similar role.

While politicians talk about closer economic ties, travellers still find it difficult to fly directly between the capitals of the two countries. The sheer size and relative wealth of Russia ensures it is the queen on the chessboard of CIS politics with the other countries capable of only limited moves. Mr Boris Yeltsin, Russia's

given the conflict in Chechnya too hot to follow.

- and expressed frustration at the slow progress of reintegrat-ing the CIS. But Mr Yeltsin kept a surprisingly low profile, appearing in public only when he unsteadily descended from the steps of his aeroplane.

Mr Nazarbayev, the strongest advocate of an ever closer and deeper union, was the and deeper inhou, was the summit's guiding spirit and publicly hankered after some-thing far more ambitious than the loose confederation that is now the CIS. "If the European Union is

going to move closer then why should we not follow? Before we were even more closely integrated than they were," he said. But his proposal for a binding pact for peace and sta-bility within the CIS was coolly received by some other mem-Only an informal memoran

dum was adopted and just three of 13 proposals for closer security were passed. The summit contained ech-

ges of debate within the western European Union as the prospect of a two-speed CIS began to emerge. CIS member countries agreed about he desirability of a common market and fleshed out plans to develop an inter-state economic committee. The heads of government moved to appoint the staff of the committee to open headquarters in Moscow and co-ordinate their country's statistical services. But beyond economics, the consensus rapidly breaks down.

A hard core of countries Russia, Belarus and Kazakhstan - appears determined to press ahead with developing closer relations even if it means leaving the other mem-bers of the CIS behind. Recent bilateral and trilateral agreements between these countries on security and economic focus of attention - especially other CIS countries may find



Austria's foreign minister Alois Mock, left, with Nato chief Willy Claes after signing up to the Partnership for Peace yesterday

### Air competition warning

By Michael Skapinker Aerospace Correspondent

European Union rules designed to encourage competition between airlines are not working, the UK'a Civil Aviation Authority said yesterday.

The authority said a 1993 EU regulation on allocating runway slots at airports needed

revision if passengers were to be given greater choice. The regulation established a pool of arrival and landing slots for allocation to airlines which did not have a large presence at a particular EU airport. The European Commis-

end of this year whether the regulation requires revision. Mr Christopher Chataway. CAA chairman, said the regulation "has not engendered any are no benefits to passengers. have had to relinquish because PO Box 41, Cheltenham, Glos

sion is to recommend by the

two airlines who are accustomed to co-operating rather than competing."

The anthority, in a report

published yesterday, said future EU regulations should concentrate on increasing the number of airlines on wellused intra-European routes. The authority accepted that this might favour large airlines over small carriers. - ...

The 1993 regulation accepts the continuation of the principle of "grandfather rights". under which an airline using a slot in one summer or winter season has first claim on it in

the next equivalent season. The regulation created a pool of slots, however, 50 per cent of which must be made available to new entrants. The pool contains slots which airlines have returned voluntarily. It also

use of them. New slots, created through changes in airport schedules, are also in the pool. New entrants are those with

only a small presence on a particular route and airport. The authority said that at London Heathrow airport this system had not resulted in new competition on intra-European routes. It thought the situation was probably the same at other European airports.
The authority said EU regu-

lations should encourage the collection of slots which become available. This would allow allocation of more slots to an airline which wanted to enter a well-used intra-European route. This would mean the airline could create a viable service to challenge existing carriers on the route. president, was the natural issues are blazing a trall which | increase in competition. There contains slots which airlines Europe's Airports, from CAA,

On many routes, there are just they have made insufficient GL50 2BN, £8.50.

#### Austria tilts away from neutrality

Austria yesterday became the 25th member of Nato's Partnership for Peace, a move widely interpreted as a first step towards discarding its 40-year tradition of neutrality, AFP reports from Brossels. Mr Alois Mock, Austria's for eign minister, said Austria had

joined the Nato co-operation programme because it shared the ideal of increasing Euro-pean stability and security in the post-cold war era. But Mr Mock stressed that Austria would not be involved

in PFP military manoer "We want to concentrate our activities in the areas of humanitarian and peacekeeping operations," he said. "Ans. tria is also interested in the environmental sector."

Mr Mock and Mr Werner Fasslabend, the defence minister, both members of the People's party, the junior member of the coalition government, were keen for Austria to take part in Nato exercises. But they were overruled by

Social Democrat Chancellor Franz Vranitzky, whose party is deeply attached to the tradition of neutrality.

Mr Willy Claes, the Nato sec-retary general, reflected Austrian sensitivities by underlining that joining PFP would not endanger the country's neutral status. "Austria itself will determine the depth of its involvement," he said. Mr Claes said Austria's posi-

tion at the heart of Europe meant it could play a strategic role in developing new Euro-pean security structures. "We are counting on Austria actively helping the countries of central and eastern Europe in a difficult transitional

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#### Anti-smoking group urges sell-off protest and make their views heard. mount an intensive marketing chairman of the committee.

By Andrew Jack in Paris

A French anti-smoking are customers of Société Génorganisation bas urged supporters to buy shares in the privatisation of Seita, the French state tobacco monopoly, to enable them to express their critical views of the com-

The Paris-based National Committee Against Excessive Smoking urged subscribers to its magazine to buy 10 shares in the forthcoming Seitz sale so they could attend the com-

tion of a controversial nuclear power plant in Slovakia.

Using its newly gained influ-

ence as a European Union

member. Austria is fighting

hard to stop completion of the

Mochovce nuclear power plant,

190km from Vienna, claiming it

will remain a safety hazard

even after being upgraded by

Electricité de France (EdF)

has formed a joint venture

with Slovakia's Slovenske

Elektrarne to complete the

Soviet-style power plant and provide it with modern safety

features for DM1.3bn (£540m).

The German utility Bayern-

werk is also considering join-

Funding is to come from the

EBRD, Euratom and the Euro-

pean Investment Bank. The

EBRD board is to vote on a

On Thursday, the Austrian

ing the consortium.

DM400m loan in April.

western technolog

It also called on those who

érale and Crédit Commercial de France, two French banks which have been granted large stakes in the privatisation, to write to the boards and question whether they were willing to "succumb to the temptations of profit whatever the

The advice comes ahead of the public offer of Seita shares, at FFr129 (£15.70) each, which opens next Tuesday, at a time when the company is trying to

campaign without running foul of advertising regulations. The committee has already

begun legal proceedings against Seita, claiming that its campaign breaches a law, introduced in 1993, that tightly restricts the advertising of

It has been inspired by the work of US consumer activists. including those who managed to gain a say at the annual general meeting of Philip Morris, the tobacco giant. Mr Pascal Mélihan-Cheinin

said: "Our aim is not to make Seita bankrupt but to improve the nation's health.

"We are not prohibitionist but we want to prevent publicity encouraging smoking. including that aimed at young people and those in the third world and eastern Europe." He emphasised that the

French government gave FFr2.4bn a year towards antismoking causes, but gained FFr40hn a year from tobacco tax. He said the committee

FFr1m more towards its FFr5m budget from the national ealth insurance system. Seita said last night it was not worried about the threat

and the privatisation was proceeding well. "The best way for opponents of smoking to object not to buy cigarettes," it Judging by current numbers it is unlikely that Seita will

face much of a threat from the latest campaign. The commit-tee said it had only about 600

### Protests grow over Slovak nuclear plan

By Eric Frey In Vienna INFORMATION. Austria is considering pulling out of the European Bank for Reconstruction and Develop-ment if the bank goes ahead with plans to fund the comple-YOU ENJOY THE FRUITS.

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if the loan goes through. Austria holds a 2.3 per cent staks in the bank. Behind the hectic official

activities is extreme pressure from public opinion and the tabloid press. Environmental issues have been at the forefront of politics for many years and many Austrians regard environmentalism as part of their identity. In a 1978 referendum, the country narrowly voted against nuclear power, even though the first plant was completed and ready for opera-

The Chernobyl accident in 1986 heightened anti-nuclear sentiment, making opposition to nuclear energy the one issue on which many citizens agree. The campaign against Mochovce is led by the Kronen-Zeitung, Austria's largest tabloid paper, which has been raging in banner headlines against the "death reactor" across the border. This sentiment leaves the government

fight against Mochovce, Last month, the Mochovce consortium cancelled a public hearing in Vienna because of

little choice but to take up the

sion debate in which the public could call in with questions, but this was rejected by Austrian television.

Vienna now argues that the EBRD should to stop the loan becauss it would violate its own regulations that call for public hearings in neighbouring countries. EBRD officials say they can still go ahead. The EBRD proj-

ect managers, who strongly support the loan, say they do not understand Austria's opposition. Mr Alain Pilloux, EBRD senior banker in charge of the project, sald yesterday the project had been misrepresented in Austria: "The project has taken on an emotional character in Austria... this is a safety project. We are not talking about constructing dangerous nuclear plants but about completing and upgrading two reactors. In return two unsafe reactors will be closed. This will increase the safety of Austria and Hungary."

Part of the loan agreement is a commitment of the Slovakian government to close two of the four nuclear reactors at the Bohunice power plant, which



Without foreign funding, the Slovakian government would still be able to complete the two 400-MW Mochovce reactors, but without the additional safety measures which EdF will provide. According to EBRD studies, the completion of Mochovce is the least costly option for Slovakia and at least per cent cheaper than natural gas turbines, the alternative proposed by Austria.

But leaving a plant that is 80 per completed idle is something a poor country cannot Experts advising Vienna dis-

miss the assurances of the EBRD. Slovakia might still decide to keep Bohunice on line beyond the 1999 date for ommissioning. They also call into question the eafety standards of Mochovce, arguing that a plant mixing eastern and western features could never be licensed in a west European country. Moreover, the bank has overstated Slovakia's energy needs and the projected costs of natural gas, they say. Anstria's

about Mochovce's safety stan-The issue has strained Austria's relations with Slovakia and France, the prime proponent of nnclear energy in Europe. But it has strong allies among Europe's environmental groups, which have picked Mochovce as a key case in fighting the expansion of nuclear power plants in eastern Europe. Rather than replacing antiquated plants like Chernobyl with western designs, the new democracies

should consider non-nuclear

alternatives, they say.

hand was strengthened when PreussenElektra of Germany

dropped out of the consortium

this month, citing concerns

parliament voted unanimously the overheated atmosphere. It to ask the government to conexperts regard as dangerously afford, the bank says. offered, instead, a live televisider withdrawing from EBRD

Japan's securities watchdog yesterday called on Tokyo district prosecutors to investigate insider dealing allegations involving a Japanese bank and a

machinery company.

It is the first time such a complaint has been filed by the Securities and Exchange Surveillance Commission (SESC) against a company rather than corporate executives.

The two companies involved are Shimizu Bank, a regional bank based in Shimizu Bank, a regional bank nassu in central Japan, and Marubeni Construction Machinery Sales, an affiliate of the Marubeni trading house.

The allegations relate to share-dealings by Shimizu and Marubeni last

March in Shin Mhon Kokudo Kogyo, a small construction company, shortly before the company announced it could not honour a Y150m (£980,000) promisecutives at the Shimizu Bank alleg-

A clash over foreign and

defence policy is set to break

out next week between the

Clinton administration and the

Republican majority in Con-

gress. The House of Represen-

tatives is to debate legislation that would gut US funding for

UN peacekeeping operations,

prohibit US troops from serv-

ing under foreign command

and speed efforts to deploy a

"Star Wars" anti-missils

defence system.

The legislation is part of the

"Contract with America" mani-

festo on which the Republicans

campaigned in November's

congressional elections. How-

ever, it has been criticised

even by some senior officials

from previous Republican administrations for undermin-

ing the president's authority as

commander-in-chief and for

hamstringing the US's ability

to join multilateral efforts to

A central measure in the leg-

islation would require the US

to deduct from its annual

peacekeeping funds any money

it spends on military operations that supported a UN

ssed contribution to UN

tackle world trouble spots.

Clinton set for

defence clash

edly sold 40,000 shares while Marubeni officials sold 5,000 shares on the company's account. A day after the sales Shin Nihon

Japan's economy is continuing to

recover slowly from its longest reces-

sion since the war, in spite of last month's earthquake, according to a report yesterday by the Economic Plan-

ning Agency (EPA), writes Gerurd

· The EPA said the economy remained

on a "gradual recovery trend" but warned that the full impact of the

earthquake's effects on the economy

was as yet unclear. The agency schnowledged fears of adverse effects

on production and prices in the affected area, but said so far "prices were generally stable", though the

shares was suspended, and the company subsequently went bankrupt.

which would, under the terms

of the proposed new law, wipe out the US's assessed UN

peacekeeping contribution of

The legislation would also

prohibit the president from

placing US troops under for-eign command unless a UN

deployment is necessary to

protect US national security

While the administration

objects to these provisions, it agrees with the Republicans

that the US assessment for UN

peacekeeping funds, currently

31.7 per cent of the total,

should be cut to 25 per cent,

the level of its regular UN con-

Nevertheless, Ms Madeleine Albright, US ambassador to the

UN, says she will ask President Bill Clinton to veto the bill if it

passes both houses of Congress

The chances that it will do

so are good. In the House, the

Republicans have so far shown

almost total party discipline in

voting for the components of

the contract. In the Senate, a

provisions on deducting US

spending on peacekeeping from the UN assessment and on pro-

in its current form.

impact on production was more difficult to assess. Mr Masahiko Komura, director-general of EPA, said it would publish shortly a full report.

Away from the earthquake, the report said personal consumption was continuing to rise slowly, and bousing construction and industrial profits were recovering. But private capital expenditure remained weak.

Meanwhile Mr Shizuka Kamei, transport minister, yesterday said the port of Kobe, Japan's second largest, which was severely damaged in the earth-quake, would be repaired within two

such move since it was set up in 1992 following a spate of stock market scan-

Modelled on the US Securities and Exchange Commission, the SESC has struggled to establish a reputation as an aggresive and independent authority in the face of a largely sceptical business community.

While the SRSC has tried to raise its profile through televised raids on offenders, allegations of insider trading, stock price manipulation and other illegal stock market transactions have often been hard to prove. Inadequate resources have undermined its work. At the same time, the slump in Japanese shares has eroded enthusiasm for crackdowns by the authorities. Insider trading is punishable by

imprisonment of up to six months or a maximum fine of Y500,000 yea. Following an SESC investigation, 25 people were indicted last December for alleged insider trading in the shares of pharmaceutical trading company Nippon Shoji Kaisha

Yesterday, market commentators said the SESC could prove the allegations Shimizu and Marubeni, it would be its biggest coup since it was

# plans to deregulate

By Michiyo Nakamoto in Tokyo

The European Commission yesterday said Japan's pro-posed measures for deregu-

The EU is unhappy with Japan's failure to comply fully with the Gatt ruling that its tax system discriminates against alcoholic products such as Scotch whisky. The Japanese government bas taken a number of steps to rec-tify the situation but the EU regards these as insufficient.

Mr Krenzler also expressed

In addition, there was no implementation timetable and a large number of the measures had broken no new ground, according to the EU. The interim report included 170 concrete measures but these were formulated in "a vague and unspecified way", Mr Krenzier said.

on the Japanese government to include in its final deregucommitments and an implementation calendar". It had also esked for continuing dialogue with the Japanese government on deregulation.

Finance, said. Mr Krenzler also repeated European concerns that the framework trade negotiations with the US would lead to discrimination against European companies. The Japanese side has agreed to a monitoring system with the EU which

tions, he said.

at Tokyo's Coming weeks 'critical' for

lation of the economy were "very disappointing" and called on Tokyo to adopt "clear, unequivocal commit-ments" in its final five-year plan to be announced in During a round of EU-Japan

high-level consultations in Tokyo yesterday, Mr Horst Krenzier, EU director-general for external economic relations, also raised the issue of Japan's failure to comply with a General Agreement on Tar-iffs and Trade ruling on Tokyo's liquor tax system.
"We are examining if this will be an appropriate candidate for the first WTO dispute settlement case," Mr Krenzler

dissatisfaction with the number of EU suggestions being incorporated into the Japanese mid-term report containing some 500 proposals for deregu-lating the economy. Only 21 out of 160 EU suggestions appeared in the Japanese draft. "You can imagine that the result left us very dissatisfied," he said.

The Commission was calling

"We have not come up with a final programme yet and the dehate is still going on so we did not expect to win approval of the interim report." Mr Akira Miwa, director of the first international affairs division at the Ministry of

would be based on the same statistical data as those used with the US to measuring progress in market access

In 1993, the EU's trade defi-cit with Japan fell from \$40bn (£25.8bn) to \$29bn and is expected to fall further this year to \$22bn.



mit 10 days ago with Israel, Jordan and the Palestine Liber-

ation Organisation in an ation Organisation attempt to create momentum behind regional peace moves, wants the US to stage a Camp

Devid-style negotiation between Syrie and Israel to

help break the impasse. Dr Osama el-Baz, President

Hosni Mubarak's chief political

adviser, warned in an inter-

view with the Financial Times that "if progress is stalled on

either the Palestinian or Syr-

ian [peace negotiations] track.

that does not mean we stay

where we are. We could have a

very serious regression, and be

Egypt, now playing a pivotal

role in trying to patch up the

regional peace process after the January 22 suicide bomb attack by Islamic fundamental-

ists north of Tel Aviv which

brought Israeli negotiations

with the PLO on Palestinian self-rule to a standstill, reached

its own peace treaty with

Israel at US-sponsored talks in

Mr El-Baz said "these coming

few weeks are crucial" if the peace process is not to disinte-

grate. He argued that the US

was in a position to arbitrate

between Syria and Israel, by synthesising Damascus'

demand for a total withdrawal

from the Israeli-occupied Golan

Heights with Tel Aviv's

requirement of an internation-

ally underwritten peace treaty. The Syrian and Palestinian

Camp David in 1979.

back to square one."

Rabin: lack of progress in

Jihad organisation from the occupied territories, whose leadership is based in Damas-

Similarly, the Hizbollah Islamist militia in south Lebanon has stepped up its attacks in recent weeks on the Israelioccupied buffer zone in Lebanon, in some cases operating alongside PLO "rejectionist" groups based in Syria.

Israeli officials believe Syria is encouraging these offensives and bring Israel to the negotiating table on its own terms. Mr El-Baz said, "If Israel stalls on the Syrian [peace] track as well as the Palestinian

selective, separate deals. "Syria would be justified to

tinians and Lebanese?" Egyptian foreign ministry

### peacekeeping operation. The Pentagon spent nearly \$1.8bn (£1.16bn) last year on \$1.8bn (£1.16bn) last year on leader. The Pentagon spent nearly \$1.8bn (£1.16bn) last year on leader. This is a remion to the Robben Island prison This is a remion to the Robben Island prison This is a remion to the Robben Island prison WTO receives first calls to settle disputes

By Guy de Jonquières,

Singapore and Venezuela have set in train proceedings which could trigger for the first time the World Trade Organisation's politically controversial new machinery for resolving international trade conflicts.

The two countries' trade complaints, notified to the first meeting of the WTO's dispute settlement body in Geneva yesterday, coincided with a renewed US push for rules to govern the composition and ethical conduct of

Mr Booth Gardner, US ambassador to the WTO, said his government's proposals were intended to build confidence in

body, which has extensive powers to diudicate on disagreements between WTO members

Congressional concerns that these powers could infringe on national sovreignty prompted the Clinton administration last year to set up e committee of federal judges to review all WTO rulings on disputes which involve the

Venezuela has complained to the WTO about recent US regulations designed to cut pollution in several large cities by requiring oil companies to sell a cleaner form of petrol, known as reformulated gasoline.

Venezuela says the regulations violate WTO rules because they set higher

the integrity and impartiality of the standards for imported fuel than for petrol refined in the US. It claims the measures would reduce its exports to the US by 50,000 barrels a

> Singapore is challenging licensing arrangements for polypropylene and polyethylene imports introduced by Malaysia last April. Singapore says the arrangements have led to a sharp fall in its petrochemical exports to

> The governments involved in both disputes have agreed to consult bilaterally - s step required by WTO rules. If they fall to resolve their differences, the complainants may ask the WTO to establish disputes panels. That would automatically trigger the

opening of formal settlement procedures, which would result in reports by the panels. The countries involved could appeal the panel rulings to e WTO appellate body, whose decision

Mr Gardner called yesterday for an ethical code of conduct for members of the panels, the appellate body and WTO staff involved in disputes. He also proposed that panels include experts from non-coveramental organisations as well as WTO diplomats.

That demand is likely to be strongly resisted by other WTO members, which fear that it would give environmental-ists and other pressure groups too big a say in international trade

under the framework negotia-

### Malaysia struggles to kick football racket into touch

'Over 80% of matches may be fixed': Kieran Cooke reports

Baware of "The Blind One". Watch out for the "Fat Man". Never have any dealings with the man known as "Wavy Head". The language is out of some colourful spy novel. But this is

not the espionage game. This is the world of Malaysian football, "The Blind One" and his mysterious colleagues are said to be the kingpins behind a match-fixing racket widespread in the Malaysian football Dr Mahathir Mohamad, the

prims minister, has often reacted angrily to suggestions from abroad of widespread corruption in Malaysia. But the scale of the football bribery which has been disclosed in recent days has shocked the government. It has also provoked considerable anger on football terraces in Malaysia. Officials admit that players on all 16 teams in the football

league are likely to have been involved in match fixing. Mr Ghani Othman, the youth and sports minister, has said that more than 80 per cent of the 240 matches played in the league last year were probably

The government has promised tough measures to stop the foul play. So far more than 80 players have been ques-



to suggestions from abroad of widespread corruption

Malaysian police say the mastermind behind the racket is a 50-year-old blind man who, with two of his partners, has heen hanished to a remote part of the country and placed under police supervision:

This week a government official said 22 players had so far for Singapore, was charged

admitted accepting bribes. Hs said the players could also be sent into internal exile. Under this punishment, drawn up to deal with Chinese-

controlled secret societies and triad gangs, players could find themselves in far-off jungle settlements for up to two years. They would not be allowed outdoors at night. Whether or not they will be allowed to play football was not disclosed. he problems on Malay-

sia's pitches show signs of spreading elsewhere. Singapore, which plays in the Malaysian league, is being investigated by the island authorities after allegations of match fixing. Abbas Saad, an Australian midfielder who played a central role in Singanore's recent league and cup victories in the Malaysian league, was interrogated by police and has had his passport

Further afield, the English Football Association is investigating allegations that syndicates run from Malaysia or Singapore have offered thousands of pounds to players in the English league to throw

The drama in Malaysia

with taking up to US\$250,000 (£160,000) in bribes. A syndicate was said to be betting not only on which team would win and lose matches but also on the number of goals scored. Vana was given the money to ensure that the final tally was favourable to the syndicate.

This week a government official said 22 players had so far admitted accepting bribes

Vana fied from Singapore while on bail and was last seen in Prague. He was sentenced, in absentia, to jail. Vana's tactics has caused

lenty of foul play between the Malaysia and Singapore teams in the Malaysian league. Malaysian football officials say their Singapore counterparts are not co-operating snough in investigating the match-fixing allegations.

For its part Singapore, which has always prided itself on being free of corruption, says it is doing all it can to keep the

### Peru-Ecuador clashes escalate

By Raymond Colftt In Quito

The two-week border conflict between Ecuador and Peru has seen its heaviest fighting yet, with the Peruvian air force bombarding Ecuadorean postions along the border. The joint command of the

Ecuadorean armed forces confirmed that Pero had carried out continuous air strikes against the Ecuadorean positions of Coangos and Base Sur in the Condor mountain range, with fighting intensifying yes-

terday morning.
In a televised speech at midnight on Thursday, Peru's President Alberto Fujimori claimed that the air force used 16 fighter aircraft in the attack. However, Ecuador rejects Peru's claim to have taken the strategic post of Tiwintza and says its forces remain in full control of its positions.

The heaviest combat in the last three days has occurred around the Cenepa river, which is Ecuador's only access to the Amazon. A ceasefire agreement still hinges on the extent of the demilitarised sone and the timing of the strival of international observ-

Military analysts in Quito are beginning to question the low casualty figures that both sides are giving. Ecuador is said to have

positions. However, the latest Peruvian attack is certain to have increased the total number of fatalities in the Unsure of how long its vastly

outnumbered military forces can hold up to the Peruvian forces, Ecuador is desperately looking for a diplomatic solution to the conflict. Mr Heinz Moeller, the president of Congress, has called for more active mediation by the

Peru rejected an Ecuadorean proposal backed by the Inter-national Red Cross for a temporary halt to hostilities to recover unidentified corpses from the combat zone. Mr Fufimori said this was only a stra tegic manoeuvre by the Ecu

Ecuador's President Sixto Duran Ballen has called a meeting of all former presi-dents and vice-presidents to plan the government's next

Former presidents Mr Rodrigo Borja and Mr Oswaldo Hurtado said that they unconditionally supported Mr Duran Ballen in his effort to maintain the country's military position

The Ecuadorean Congress has approved war taxes totalling some £55m and will consider further fund-raising measures in coming days. Ecuador is spending between incurred lower casualties than £5m and £8m daily on the war. Peru because its troops are

meetings with Arafat

one, that means it is negating the concept of a comprehensive settlement and is opting for

move against peace" if Israel persists in these self-serving salami tactics, the senior Egyp-tian official said. "How can Syria then stop the rejectionist organisations among the Pales-

officials were dismayed at the lack of progress at Thursday's meeting between Mr Yitzhak Rabin, Israeli premier, and Mr Yassir Arafat, PLO chairman. and warned that Israel's conintertwined in recent weeks. ments in the occupied West The bomb attack at Netanya Bank was where "this whole was claimed by the Islamic process will break down".

REPEAT CALL FOR TENDERS FOR THE PURCHASE OF THE GROUPS OF ASSETS OF

"HYMOFIX HRILAS S.A.", OF ATHENS, GREECE

PTINIKI KEPHALEOU S.A., Administration of Assets and Liabilities, of 1 Shoulesion
Str., Athens, Greece, in its expectly as Liquidator of "HYMOFIX HELLAS S.A." (
Company with its registered office in Athens, Greece, (the Company), presently made
special liquidation according to the provisions of stricts 46e of Law 1892/1990, by virtue of
Doctation No. 510494 of the Athens Court of Appeal
superstance of any or all the groups of ansets mentioned below, each one of which is
their with the at stude centiv.

EMBOR EVAN IN THE ANALYSIS OF THE AUCTIONS

BREEF DIFORMATION

The Company was established in 1958. On 7.11.94 it was placed under special liquidation according to the provisions of article 46a of Law 1852/1990. Its objectives included the processing of fivia and vegetables and, to particular, the production of fruit juice, togetable page, togetabl

Interested parties may obtain the Offering Memoranda in vespect of the Company and its assets upon signing a confidentiality agreement.

TERMAS AND CONDITYONS OF TEE AUCTIONS

1. The Auctions shall talke place in accordance with the provisions of article 40s of Law 1892/1990 (as supplemented by article 14 of Law 20009) and subsequently smeaded, the terms and conditions are forth harcin and the "Terms and Conditions of Sale" contained in the Offering Memoranda. Such provisions and other terms and conditions shall supply imapectively of whether they are mentioned or not. Subminsion of binding offers shall men acceptance of mach provisions and other terms and conditions.

2. Binding Offers, interested parties are beneby invited to submit binding offers, not later than 13 March 1995, 12.00 a.m. hours to the Athena Notary Public Mr. Evangeloo Dratopoulos, at 19, Vonkoutesion Str. 106 71 Athens, set: +30-1-361.57.32, fax: +30-1-362.11.11.

Offers should expressly state the offered price and the detailed terms of payment (in cash or instalments, mentioning the member of instalments, the dame thereof and the proposed summi interest and ray.) In the event of not specifying a) the way of payment, b) whether the twedited amount shall hear so interest used cythe interest rate, then it shall bear no interest used cythe interest rate, then it shall bear no interest and of the interest rate, then it shall bear no interest and of the lateral and admit the payable on the dates of payment of each instalments. Shall do see with the abound offers in both groups of sacret, these should be submitted separately. Binding offers submitted later than the above date shall bear to interest and give a previous por abound offers for both groups of sacret, these should be submitted separately. Binding offers submitted that the deligation of each instalment. Shall do see white the abound offers for both groups of sacret, these should be submitted separately. Binding offers shall be committed in the Offerring Bernstein of the binding offers sh

system offered networy for successful to examinately sense by
purchaser respectively.

9. The Liquidesor and the Creditor shall have on Hability not obligation whatsoever towards
the participants or relation to the evaluation of the offers or the appointment of the highest
bidder or any docision to repeat or cancel any Anction or any decision whatsoever is
connection with the proceedings of the Anctions. The Liquidator, the Creditors and the
Notary Public shall have no liability for any legal or actual defocts of the states. Submission
of binding offers shall not create my right for the adjudication nor the participants shall
acquire any right, power or claim from this Invitation and/or their participants in the
Anctions against the Liquidator and/or the Creditors for my reason whatsoever.

10. This invitation has been drafted in Grock and translated into English. In any event, the
Credit vernices shall prevent.

10. This Invincious has been deafted in Greek and translated into English. In any event, the Greek version shall prevail.

In order to obtain a copy of the Officing Memorandum for each of the above groups of agent and any further information phase apply to the Liquidator "Ethnik Kephalcou SA. Administration of Amers and Liabilities", 1, Shoulealou Sr. Admin 10561, Greece, Tel: +30-1-323,14,24-7, hz: +30-1-321,97.05 (attention of Mrs. Marita Françakis). or the Liquidator's agent, Mr. Konstantinos Kyrlakis, 120 Solonos Str. Athena, Tel. +30-1-381,68.29.



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### Double-edged ruling is setback for Names

Hopes of many lossmaking Lloyd's of London members of obtaining substantial compensation through the courts may have been set back yesterday by a less-than-complete victory for Names in the latest Lloyd'srelated legal battle.

An association of 372 Syndicate 834 Names Association welcomed a ruling at the High

losses incurred by the insurance syndicate, largely as a result of US asbestosis claims

LLOYD'S OF LONDON dating back many years. DJ. Freeman, e firm of lawyers acting for the association, said it would seek full compensation

als whose assets have traditionally supported the insur-

But the ruling paved the way for the Names to claim damages only against the managing agent - which ran the insurance syndicate - and not the members' agents which were responsible for placing Names on the syndicate. The court said claims against the members' agents had been Court in Loudon that they for an estimated £30m (\$124m) made too late. That could

in which Names are suing for losses on insurance policies sold several decades ago. Unless overturned on appeal, the ruling will severely restrict the number of agents that Names are able to sue

Clyde & Co, a law firm repre-senting the "errors and omissions" insurers - which provided cover against negligence to Lloyd's agents and whose funds will be used to meet damages awards - said the rul-

ing would have "e major impact" on long-tall actions. It hoped that "expectations on the part of Names' groups involved in the long-tail actions will become more realistic". By reducing the dam-ages Names might win in court, the ruling could help efforts to reach an out-of-court

The High Court ruling on Syndicate 384 said that the members' agents owed a "duty in contract" to the Names. But

transactions made in the early 1980s it was too late to be heard under rules which say cases must be brought within

The case against Pulbrook Underwriting Management, the managing agent, stood because there was a "duty in tort" which allows claims for compensation within three years of discovery of the losses.

Letters, Page 9

### Parties converge towards common stance on Europe

Speeches from the prime minister and chancellor have failed dismally in the past week to bridge the deep gulf that divides Conservative MPs on the European Union

The party remains hope-lessly split despite attempts to play down conflicts between the speech to the Conservative Way Forward group by Mr John Major, the premier, and the address to the European Movement by Mr Kenneth Clarke, the chancellor (chief finance minister).

But the battle in the Conservative party has overshadowed e more remarkable development: setting aside the rheto-ric, the official positions of the government and the opposition Labour party appear similar on most of the main issues. In addition to the recent

speeches, the evidence lies in Mr Major's Leiden address last year and in an exposition of the Labour party's policy to the European Policy Institute two weeks ago by Mr Robin Cook, Labour's shadow foreign secretary. The evidence suggests that Lord Howe, the for-Conservetive deputy

Splits among Conservatives are masking similarities between their policies and those of their principal opponents, says Kevin Brown

ernment could overcome its Eurosceptic minority hy mobilising e cross-party majority for

oo the social chapter of the Maastricht treaty. A Labour government would sign immediately, hut the Conservatives are implacably opposed.

on whether the powers of the European parliament should be increased. Mr Major says no: Labour eays fresh powers should be restricted to scrutinising the European Commis-

rhetoric is now remarkably similar to that being used by the Conservatives. Where the prime minister talks of the EU as an associa-

**BUSINESSES FOR SALE** 

GREEK EXPORTS S.A.

(A Subsidiary company of "E.T.B.A. A.E.") ANNOUNCEMENT

OF A PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR PURCHASING

THE ASSETS OF "GABRIEL - SPINNING & WEAVING MILL OF NEO

PHALERON A.E." NOW UNDER SPECIAL LIQUIDATION

GREEK EXPORTS S.A., established in Athens at 17 Passepistmost Street, and legally represented, in its capacity at special fiquidator of GABRIEL. SPINNING & WEAVING MILL, OF NEO PHALERON A.R., in accordance with Decisions No. 854/L12.1994 and 74/23.L1995 of the Piracus Court of Appeal

a Public Auction for the Highest Birder for the purchase of the sond assets, either as a whole or each of the four separate entities indicated below, of the company entitled GABRIEL - SPINNING & WEAVING MILL OF NEO PHALERON A.E. (established at 76 Athers-Piracus Street at Neo Phaleron, Artica) within the framework of article 46a of Law 1892/1990, supplemented by article 14 of Law 2000/1991 and modified and completed by article 53 of Law 2224/1994.

ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY

GABRIEL - SPINNING & WEAVING MILL OF NEO PHALERON A.E. is a perpendicular and adaptable spinning and weaving mind which produces synthetic, mixed and woollen years, clothing material and kniewers. It has a dyoing - finishing butalistics for nuterials and kniewers, substantial technical know-how and a constant presence in the fashiou nuries where it has a good repetation.

The company's assets for sale consist of the following four (4) self-contained units which are for sale either as a whole or each apparently:

The company a sects for sale counts of the following four (4) self-commined min which are for sale either as a whole or each separately: First gattire. The company's main factory brilding (spinning & wearing mill) situated on 76 Atlests Piracus Street at Neo Piracera. Second entiry: The factory for processing years and materials (dycing-finishing) situated at 3 David-Plation Street at Neo Piracera. Third entiry: The factory producing woothen and synthetic years in the Neu Lampsula area of Chalide. Fourth entiry: Stocks of raw materials, ready and half-finished products, etc.
Detailed information on the commany a special included in each cuting in to be found on pages 35-36 of the Confidential Officing Managementate to which you are referred. It is to be noted that: A the "GAIRHEL" trade mark, the noted clubus by the commany at well as the familiars and equipment in the Thessidalith agency and in the Kallithea wavelouse are included in the agent of the first cutify and by

the marchinery (58 spindles, etc.) which is in the factory of PIRAIKI-PATRAIKI CHALKIS WEAVING MILL A.P., is included in the assets of the first emity and by the marchinery (58 spindles, etc.) which is in the factory of PIRAIKI-PATRAIKI CHALKIS WEAVING MILL A.P., is included in the assets of the third entity.

TERMS OF THE AUCTION

1) Interested parties are invited to receive from the Limitator the Confidential Offering Memorandom dated 2/2/1925 and the draft Letter of Guarantee in order to submit a scaled, binding offer to the Kalisher arony public assigned to the auction, Mrs. lorders Monfonion (24 Harilaco Triboupi Street, Athems, 5th floor Tel. & Fax: +30-1-362.6788) up to 1900 hours on Thursday 9th March 1995.

2) Offers must be submitted in person or by a legally authorised representative. Offers submitted beyond the specified time limit will not be accepted for considered.

3) The offers will be opened before the above-aventioned notary on Friday, 10th March 1995 at 1000 hours with the liquidator in attendance. Persons having submitted offers within the time limit are also entitled to amend.

4) Each interested investor can animit either one bid for all the elements of the company's assets, or separate bids for the purchase of one, two, three or all four (4) entities.

The offers must safe clearly if they concern the whole of the essess or separate entities, the offered price and manner of payment (in cosh or on credit, the number of instalments and when they are to fall the, eac.) If there is no mention of a) the manner of payment, b) whether the instalments will be ar interest or not, then it will be assumed that a) the amount will be paid in cash, and that b) the instalments will bear interest at the rate in force for Greek state bonds of one year's duration on the date of submission of the office.

Offers must not contain terms upon which their bindingness may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other essential matter concerning the sale. The liquidator and the creditors have the right, at their incontrovertible discretion, to reject offers which contain terms and exceptions, regardless of whether they are higher

than the others.

On penalty of invalidity, offers must be accompanied by a letter of guarantee from a bank logalty operating is Greece, of indefinite duration, to the amount of two bundred and ten million drachmas (Des. 210,000,000) if they concern the whole of the company's assets. If they refer to account entitles those the amounts are as follows: a) nicely million drachmas (Des. 90,000,000) if the offer concerns the main factory complex on 76 Athern-Pirarus Street at Noo Phaleron; b) fifty million drachmas (Des. 90,000,000) if it concerns the factory on 3 Davaid-Pindon Street, Neo Phaleron; c) forty million drachmas (Des. 40,000,000) if it concerns the factory on Nea Lampania, Chalkin; and d) thirty million drachmas (Des. 30,000,000) if the offer concerns the company's stocks.

Enticitors of guarantee; in the event that the party to whom the ansets for sale have been adjudicated falls in his obligation to appear and algo the relative contract within twenty (20) days of being invited to do so by the chalked to the Liquidator, and abide by the obligations contained to the present announcement, then the amount of the guarantee stated above is forfaciet to the Liquidator to cover expenses of all kinds, thus spent and any real or paper loss antifered by ishuself and by the creditors with no obligation so his part to provide evidence of such loss or consider that the amount has been forfacieted as a penalty clause, and collect it from the guarantee bank. Return of letters of guarantee, Letters of guarantee submitted for purisipation in the angion shall be returned immediately alter adjudications, except for the letter of guarantee of the highest higher higher to whom it shall be returned on signature of the final contract.

A fire-y-ear business plan of action for the operation, anodemistation and development of the enterprise.

A five-year business plan of, action for the operation, anodemistions and development of the enterprise.

An investment programme (height and type of new investments, time-plan for its implementation and manner of financing).

Personnel comployment policy and programme for guaranteed job positions (number, duration, time-plan).

Data concerning the interested buyers with regard to their financial standing and their business activities to date, sential guidelines for the liquidator in judging the offers one, smong others, the following:

9) Essential guidelines for the liquidator in judging the offers are, among others, the following:

a) The bright of the offered price.

b) The manher of guaranteed job positions for at least the first five (5) years after signature of the contract.

c) The reliability, solveney and business experience of the prospective bayer.

d) The reliability, solveney and business experience of the prospective bayer.

e) Any benefits accorded by the prospective investor to the unit's personnal.

() Guarantees provided by the buyer for any part of the sale on credit and for other obligations undertained (job positions, new investments, etc.) through the contract.

10) The highest bidder is the one whose offer has been evaluated by the liquidator and judged by the majority creditors as being the most satisfactory.

(a) years from the case of signature or the contract.
For securing the payment of any amount on credit and all points contained in the business plans of prospective buyers (job positions, beight of investments, time of starting, etc) as well as other terms agreed upon, the buyer must accept relative clauses and provide guarantees which will cause achievence to all undertakings. In order to accure any part of the payment on credit (beyond the other guarantees provided) the buyer shall deliver to the liquidating company a latter of guarantees from a bank to an amount of at least 20%

in their actual and legal condition and wherever they are on the date of signature of the final contract, regardless of whether the

Company is operating or acc.

The Liquidator, the Company under liquidation and its creditors who represent 51% of its total obligations, are not liable for any legal or actual faults or any incomplete or inaccurate description of the assets for sale in the Officing Momorandme.

Interested buyers must, on their own responsibility and due care, and by their own means and at their own expanses, impact the object of the sale and from their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the

anests for sale.

16) The Liquidating company and the Creditors beer so responsibility or obligation towards participants in the saction, both with regard to the evaluation of the bids, the selection of the highest bidder, the decision, if any, to cancel or repeat the anction and any other decision in general regarding the procedure and execution of the saction. The submission of a binding offer does not imply any right in the adjudication of the sale and, in general, participants do not acquire any right, claim or demand from the present associatement and from participation in the saction, against the liquidating company or the creditors for any came or reason.

17) All costs and expenses of every asture for participation in the saction and for the binamier of ownership, as well as all taxes, duries, dues, state fees or third party fees that may be imposed (beyond the examptions for second by law) relating to participation in the saction and to the sale contract, anything following the sale, transcriptions and any other acts, are borne excitatively and alone by the interested buyers and the highest bidder respectively.

18) Participation in the saction implies acceptance by the prospective buyer of all the above terms of the present announcement.

19) The present announcement has been drafted in Greek and in English in translation. In any event, the Greek tent shall preveil. For any further information and for the Confidential Offering Mannorandum, interested parties may apply to:

17 Panepleinnion Street (Ist floor), Athens, Greece, Tel; +30-1-324.3111 - 115 Fex: +30-1-323.9185 INDUSTRIAL RECONSTRUCTION ORGANISATION,

234 Syngrou Ave, Athens, Greece, Tel: +30-1-952.5540-9 Fex: +30-1-956.8788.

A) GREEK EXPORTS S.A.,

13) The Company's searts and all the separate fixed and circulating exacts that make them up, such as immrights, etc, whether they are to be sold as a whole or as separate entities, shall be transferred "as is and whe

the EU.
The parties remain divided

There is also some division But on other issues, Labour's

tion of nation states, Mr Cook rules out "a surrender of national identity," and baldly

prime minister, was right to suggest in e Financial Times article last month that the gov-

Trading bloc	Yes	Yes
Single currency.	Decide in 1999	Decide in 1995
Single meriest · · · ·	Yes	Yes
Velo	No weakening	Retain for Wal
		insues : 3 A
CAP	· Fundamental reform	Fundamental felts
ioforestation:	if partition	Not reled out
Entargement	Yes	YBS
Change CMS	· Yes, more weight for	Yes, details unde
	UKC	
acieralism	360	Ho .
Common foreign and	Mo	No
ecasily policy		
Common defence policy	No	No :
lociel Chapter	No	Y86
Suropean patienters	- No more powers "	Powers shared ve

pean simerstate\*

Mr Major has pledged to resist any weakening of the UK's veto in the council of ministers; Labour would give up the veto on social affairs, hut retain it for matters of

rejects "the concept of e Euro- "vital national interest" including the budget and treaty revi-

The parties are also close on qualified majority voting. The cabinet has agreed to oppose any reduction of the weighting of the UK vote, but accepts make the changes necessary to enlarge the EU," but would also oppose any diminution of the UK's influence. This narrowing of party dif-

ferences could be crucial to the debate about whether the British people should be consulted in a referendem about further integration of the European Union's 15 member states. Major has undertaken to hold a referendum if the out-come of the 1996 intergovernmental conference on European integration raisee.

constitutional issues that

require one. Mr Tony Blair, the Labour a referendum despite pressure from senior figures such as Mr Bill Morris, general secretary of the TGWU, one of the largest trade unions in Britain. Aides say a judgement will be made when the details of any

changes are known. Tha many MPs in both parties are referendums are seen as alien to parliamentary government, and in part because those who favour further integration fear that the voters might reject it. But it will be difficult for the main parties to argue that the issue should be settled by a

policies are regarded by the votere as virtually indistinguishable. Paradoxically, only the federalist Liberal Democrats openly favour e referendum. They are seeking a referendum
thefore any substantial
alteration of the present
constitutional settlement between the EU and ite

general election if their

But in the battles that will follow the conference, pro and anti Europeans may recall that cross-party alliances are nothing new - Labour support was crucial in the battle fought by Sir Edward Heath, the

### **Young Conservatives offer** rebels an anti-EU platform



party intend to usa this weekend's conference of the Young Conservatives - the pressure on Mr John Major to slap down cabinet pro-Europeans, our Westmin-ster Correspondent writes. As the row over European integration rumbles on, the 750 dele-

gates are likely to give a warm

including Mr Neil Hamilton.

since leaving the government last autumn following allega-tions over the payment of a ball during last October's tions over the payment of a Also scheduled to appear is

Mr Christopher Gill, one of the nine "whipless rebels" who are operating outside the Conservative parliamentary party. Mr Gill will tell the two-day conference a single currency would destroy the economy, the country and the party. Conservative headquarters had sought to distance itself from tha meeting, largely as a result of the rowdy antics at earlier

Mr Hamilton will be giving his Party managers tried to play first speech to party members down their embarrassment

main party conference were published just as Mr Michael Howard, home secretary, was preparing to give e speech on law and order.

But as the number of ministers who accepted invitations grew over recent weeks, the party decided that Mr Jeremy Hanley, its chairman, should address this year's YC meeting. One of the main problems for the YCs is not politics but finance. YC membership reached 250,000 in the 1950s, but has now fallen to fewer than 10,000.

### Leisure chiefs guilty of illegal share support

By John Mason, Law Courts Correspondent

Two former directors of 1990 for Midsummer Leisure. European Leisure, the enter-tainments group, were con-slump in the leisure market led victed yesterday of mounting to European Leisure's share an illegal share support operation during the company's 1990 takeover of rivals Midsummer

Mr Michael Ward, the former contested one. European Leisure chairman and chief executive, was found guilty in London of conspiracy to defraud and three charges of theft involving £126,000 (\$195.300). Mr Jeremy Howarth, a former European Leisure finance director, was convicted of the same offences and an additional their charge involv-

A third former director, Mr George Hendry, had earlier chase of £500,000-worth of pleaded guilty to one charge of conspiring with Ward and Howarth to defraud investors.

Chase of £500,000-worth of European Leisure stock, the prosecution, brought by the Serious Fraud Office, said. the court was told.

European Leisure was built up by Mr Ward, e former assistant director with Morgan Grenfell and international cor-S.G. Warburg. It pursued a pol- could not be prosecuted.

icy of aggressive expansion through takeovers and mergers culminating in its bid in early

price falling. Midsummer Leisure, which had initially supported the deal, withdrew its approval and the bid became a

With the hid based on a share-for-share offer, the value of the European Leisure share price was crucial to Mr Ward's plans. In April and May 1990 Mr Ward, Mr Howarth and Mr Hendry embarked on a series of illegal chare support operations using money stolen from European Leisure. Four such operations were

carried out involving the pur-

The three men were alleg-edly joined by a Mr Karim Helal, an Egyptian friend of Mr Ward. Mr Helal was named as a co-conspirator but porate finance director with returned to live in Egypt and

#### **Truckers** scorn curbs on calf trade

Two English ports were dis-rupted yesterday by opposing protests about the export of live farm animals. In Dover, one of the busiest ports on the route to France, about 40 truck drivers made several cirat about 15kph.

They were demonstrating against Dover Harhour Board's ban on the export of animals for slaughter and the refusal of the shipping compa-nies P&O and Stena Scalink to carry live farm animals. Meanwhile about 2,000 peo-ple clashed with police in an effort to prevent the first truckload of yeal calves reach-

ing the small port of Brighthingsea in eastern England. The town was brought to a standstill as demonstrators blocked the narrow road to the port with cars. Many who sat in the road were removed by police, including e 78-year-old woman who was arrested as the trucks moved slowly

Yesterday's convoy included five trucks containing 2,000 sheep as well as the one with

towards the dockside.

#### UK NEWS DIGEST

### Rolls-Royce offshoot to shed 400 more jobs

Parsons Power Generation Systems, part of the Rolls-Royce Industrial Power Group, yesterday announced 400 more redundancies following a cut of 400 permanent and 200 temporary jobs in September at the factory in north-east England. Mr Michael Boden, Parsons' managing director, said the latest redundancies, affecting white-collar and manual employees, were necessary to improve competitiveness.

were necessary to improve competitiveness.

He added that he saw no alternative to achieve the long term competitiveness and higher productivity Parsons must attain to beat its Japanese, western European and US rivals in a market in which contract prices had dropped in recent years.

Parsons won three Indian orders worth Section in late 1000. Parsons won three Indian orders, worth 2560m, in late 1998. But negotiation of complex financial packages has delayed completion. In recent months the company has been beeten by US rivals in the fight for two orders, each worth more than £100m (£155m), from Malaysia and China. Chris Tighe, Neucastle upon Tyne

#### Scots to debate independence

Mr Alex Salmond, leader of the Scottish National party, which campaigns for full independence and separate membership of the European Union for Scotland, is to confront Mr George Robertson, the Labour party's Scottish spokesman, in a televised debate tomorrow over Scotland's constitutional future.

Mr Salmond will put the cose for independence while Mr vised debate tomorrow over Scotland's constitutional fittire.

Mr Salmond will put the case for independence while Mr Robertson will argue for the devolved Scottish parliament Labour plans to implement if it wins the next UK general election. Opinion polls this week in two leading Scottish newspapers show around 50 per cent in favour of a Scottish parliament, with 30 per cent wanting independence and 20 per cent wanting to keep the status quo. James Buxton, Edinburgh Coming apart at the seams, Page 8

#### Minorities may qualify for cash



Charities dealing with children, health, the homeless and unemployed people were likely to be at the head of the queue to receive cash from Britain's National Lottery. The National Lottery Charities Board said yesterday that organisations dealing with women's issues. THE NATIONAL ethnic and cultural minorities and others LOTTEST affected by discrimination would also receive sympathetic treatment. Mr David Sieff, chairman, said political activities would not be supported.

The board has promised to consult widely before making final decisions. Charities are the last of the good causes to benefit from the lottery. The board expects to invite grant applications by June. Hundreds of organisations wanting cash for arts, sports, heritage and millennium projects have already applied. Lottery organiser Camelot hopes to give 19bn (\$14.04km) to good causes over the next seven years. So far, about £160m has been put aside. PA News

#### Judgment on Saatchi due soon

The High Court judgment on the ettempt by Saatchi & Saatchi, the advertising group, to stop Mr Maurice Saatchi poach-ing its clients will be given on Monday. The Saatchi Group has applied for an injunction to prevent Mr Saatchi attempting to induce clients or staff to join his new agency. John Mason

#### Unilever subsidiary censured

A chemicals subsidiary of Unilever has been told to make substantial improvements to its factory in north west England or face further action, including possible closure, by the end of this month. Unichema Chemicals was served with an enforcement notice after the company failed to meet a December 31 deadline over the release of acidic vapours into the atmosphere. Last month Vinamul, a Unilever subsidiary, was fined £19,000 for allowing vinyl acetate and vinyl chloride to escape.

Ion Hamilton Fazey, Manchester

#### Trucks boost vehicle sales

Registrations of new trucks in the UK jumped by 63.7 per cent to 4,203 in January, as total commercial vehicle registrations rose by 23.6 per cent year-on-year. The overall increased to 21,801 from 17,542 a year ago. In contrast to the car market, which has been undermined by weakening consumer confi-



dence in recent months, the commercial vehicle market, e

Truck sales (above 3.5 tonnes gross vehicle weight) were running at an annual rate of about 55,000 in late 1994 compared with only 35,000 early in the year, and this high level has been maintained in January. Leyland Daf, the UK subsidiary of Daf Trucks of the Netherlands which led the British truck market in January is forecasting e rise this year to between 50,000 and 55,000 from the 44,738 achieved in 1994. Kevin Done, Motor Industry Correspondent

#### Mice offer key to cure for Alzheimer's By Clive Cookson, US, may relieve some the sciantific world believes starting with memory loss and symptoms, but the the claim.

The long search for an animal version of Alzheimer's disease, to be used for research and drug development, has reached a successful conclusion.

Scientists from two US companies, Athena Neuro-sciences and Eli Lilly, have sciences and Eli Lilly, have fourth leading cause of death of the disease and, most have similar mouse models in the developed world after importantly, for testing the disease within a year. show the type of degeneration characteristic of Alzheimer's patients. Their work is published in this week's issue of the UK journal Nature.

porate a human gene, discov US, may reced at St Mary's Hospital Med-symptoms, ical School in London, which causes an inherited form of nothing in development that Alzheimer's. St Mary's (part of imperial College in the University of London) holds patent rights to the gene, which it licensed to Athena.

paramaceurical industry has paramaceurical industry has been interested in development that seems likely to prevent the mental deterioration characteristic of Alzheimer's. A big handicap is the absence of an animal model for

strokes. It probably has no equal in terms of the toll it Nature and other scientific abnormal "amyloid protein" puts on those who have to care journals that transgenic around the decaying terminals for the victim.

Alzheimer's mice had been of their brain cells. These are

Alzheimer's dementia is the investigating the progression fourth leading cause of death of the disease and, most

Alzheimer's mice had been One licensed drug, Tacrine, created - which then turned The "transgenic" mice incor- from Warner-Lambert of the out not to be true. This time,

pharmaceutical industry has nothing in development that

Dr John Hardy, who led the St Mary's team that discovered

the gene and now works at the University of South Florida, szid: "Athena's work is very expected to make their mice impressive." He added that available to univarsity of an animal model for other research groups, including his own, expected to have similar mouse models of Like Alzheimer's patients,

There were reports in 1992 in the mice develop plaques of of their brain cells. These are believed to be the main cause of Alzheimer'a symptoms -

ending with death.
Athana, a Californian biotechnology company, and Lilly, a pharmaceutical group based in Indianapolis, are researchers but not to rivaldrug companies. Thay probably have a lead of two years over competitors in the race to find a treatment, which would have a market worth more than fibn a year. However, there is littla

prospect of such a drug reaching the market in less

» jomura slip

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#### INTERNATIONAL COMPANIES AND FINANCE

### Nomura slips into red for first time

#### By Gerard Baker in Tokyo

The severity of the the Japanesa stockbroking crisis was underlined yesterday when Nomura Securities, the broker whose name was once synonymous with Japan's financial might, declared the first loss in its history.

Until yesterday, Nomura was one of the few companies to have avoided a deficit.

The company said the con-tinuing weakness in domestic equity markets and losses in overseas subsidiaries had produced a Y20bn (\$202m) pre-tax loss for the group to the 10

months to January 31.
Last October, the company forecast a consolidated profit of Y70bn for the full year to March. The group has declared s loss by US accounting principles once before, but never by Japanese rules.

The company, the largest Japanese broker, said it was

Toyota, Japan'a largest car

maker, yesterday reported a more than nine-fold increase in

first-half operating profits on

the strength of cost-cutting

and s recovery in the Japanese

It was also the first time in

five years that Toyota had

posted an increase in pre-tax profits in the first half.

Operating profits for the par-

December jumped to

ent company in the six months

Y87.1bn (\$881m) from Y9.3bn in

the previous term as Toyota

cut deeply into its cost base.

Sales graw 2 per cent to

Pre-tax profits were up 79 per

Y4,070bn from Y3,987bn.

By Michlyo Nakamoto

in Tokyo

taking the unprecedented step of declaring its results for the first 10 months to dispel press speculation about the scale of

Nomura's pre-tax profits fell from a peak of Y489bn in 1990, to Y3.3bn in 1993, before recovering to Y50.6bn last year. Mr Atsushi Saito, executive

managing director, said a decline in commission revenues triggered by a slump in trading volumes on the Tokyo Stock Exchange had all but wiped out the parent compa-ny's domestic profits. The parent made a pre-tax profit of Y10bn in the 10-month

period, against an October forecast of Y70bn for tha whole Since October, the average daily value of shares traded on

the TSE has been Y280bn, down from Y350bn in the first six months of the year, and well below break-even level for most stockbrokers.

Equity trading in Tokyo years, aggregate pre-tax losses

cent to Y148.8bn from Y83.2bn,

while net profits were 74 per cent ahead at Y68.5bn from

Toyota attributed its

improved performance to cost-

cutting and a recovery in

During the period, the com-pany slashed Y70bn from costs

after cutting Y150bn in the

Toyota is continuing its cost-

cutting programme and

expects to see further improve-

In Japan, where demand has

been rising since the summer,

Tovota saw sales increase by

just over 2 per cent in unit

launched a successful recre-

The company last year

domestic demand.

year to June 1994.

peaked during the years of the "bubble economy" when asset prices in Japan soared.

Since 1990, share prices and trading volumes have collapsed. In spite of recent indications of a profits recovery on the back of a strengthening economy, there is little sign of an end to the malaise.

Nomura's domestic difficulties were compounded by substantial losses overseas.
In the 10 months to January,

the overseas subsidiaries posted a combined loss of Y20.9bn, with European units performing particularly poorly as bond and equity trading declined sharply.

The collapse in the Japanese equity market in the past four years has meant the country's

over-populated broking sector has been submerged in losses. In spits of increasingly aggressive cost cutting, which has seen staff cut by more than

ational vehicle and remodelled

many of its popular models. An

increase in sales contributed

market ahare in Japan last

year, was unable to henefit

from the surge in truck sales and imports which saw the

strongest growth during the

Its share of the car market,

excluding minicars, last year

was down to 41.5 per cent from

increased unit exports by

almost 9 per cent, in spite of the yen'a continuing strength.

Exports to North America

Exports to Europe were also

rose 16.5 per cent as markets

In terms of exports, Toyota

42.3 per cent.

strengthened there.

However, Toyota which lost

Y35bn to operating profits.

at the 20 leading brokers were Y39.2bn in the six months to September 1994.

Analysts were yesterday

forecasting that the Nomura news spelt near-terminal problems for some of them. "If Nomura has been brought to this, then it's a certainty that many of the other brokers, especially the smaller ones,

will be in severe difficulties,

said Mr J. Brian Waterhouse, financial sector analyst at James Capel Pacific in Tokyo. The Big Four - Nomura Nikko, Yamaichi and Daiwa are less dependent on stock trading incoms than smaller companies and are also better

up, by 11.5 per cent, although the rise is from s low base in

the first half of 1993, Toyota

However, Toyota's perfor

mance was hit by the apprecia-

tion of the yen which contrib-

nted to a fall in operating

income of Y40bn, according to

Toyota is changing its year

end to March this year and will

announce nine-month results to the end of March.

pre-tax profits forecast for the

nine-month period to Y250bn

Net profits are expected to be

Tha salea forecast is

Y120bn rather than an earlier

from an initial Y200bn.

estimate of Y100bn.

It has revised upwards its

the company.

Others have seen their capi-tal eroded by massive losses in market.

the last four years. Two of them, Cosmo Securi-ties and Sanyo Securities, have been rescued by related banks. The sector's postion has been further weakened by regula-

Zurich plans to huy out Cost-cutting boosts Toyota at interim

ate four years ago.

rahlodarada Home will be delisted from the New York Stock Exchange. The Zurich deal will leave Trygg with a write-down requirement from Home of

Trygg ran np more than

The Zurich takeover of Home replaced an original agreement struck by Mr Lars Thunell, appointed Trygg chief executive last year, with a group of American investors who were prepared to refinance Home to maintain its independence, However, Zurich's terms meant SKr500m

In addition to initial terms announced last month, Zurich is offering new guarantees for Home bond- and policy-holders in response to demands from US insurance regulators. These included guaranteeing on He bonds for two years and \$1bn

#### By Charles Batchelor. Transport Correspondent

#### associate

By Hugh Carnegy The fate of Home Holdings, the troubled US associate of Swedish insurer Trygg-Hansa, was decided yesterday when Trygg reached s definitive agreement with Zurich Insurance for the

The sgreement, which requires regulatory approval, draws a lins under Trygg's disastrous foray into the US

Swiss group effectively to take

to take over

Trygg's US

Zurich, one of Europe's top three insurance groups, will take over the management of Home immediately and will be ahls to renew all existing Home business.

Trygg's 64.5 per cent stake in Home over an eight-year period. The Swedish group began to acquire the US associ-

Zurich will also buy out the share of Homs not held by Trygg or Centre Re, s Zurich affiliste and the other main

SKr2.3hn (\$308m) and total losses of SKr4.5bn.

SKr5bn in domestic losses from its involvement in collapsed banking and credit insurance ventures.

less in losses for Trygg, so Mr Thunell changed investors.

insurance from Centre Re for policy holder protection.

#### Swiss group | Eurotunnel misses target The knock-on effect of tha tickat salea, Eurotunnel

Eurotunnel, the Channel tunnel operator, achieved reve-nues of \$30.6m (\$47.4m) in 1994, its first year of operating train services, but blamed a dispute with the French and UK railways for failing to reach its revised target of nearly £35m.

The company had forecast in its May rights issue prospectus that 1994 revenues would reach £137m. But delays to launching services forced it to revise its forecasts downwards in October. The final 1994 quarter accounted for £23.8m of total delays will mean that traffic and revenue levels in 1995 will also be lower than first fore-

However, the company said it hoped that before the yearend shuttle traffic volumes would reach the monthly levels implied in the prospectus. In spite of the loss of reve-

nues, Eurotunnel's cash position at the end of 1994 was only film less than forecast in the prospectus. The company had sbout £300m remaining from the £658m of equity raised and all of the £697m of promised

in addition to earnings from

received £10.6m from the railways to increase their payments to the level of an agreed minimum usage charge.

But there is a dispute over a further payment to which Eurotunnel believes It is entitled under this arrangement. British Rail and SNCF French Railways maintain they were not required to pay the full charge until the date they launched commercial Eurostar services on November 14. Euroshould have started earlier.

Eurotunnel's shares closed

### Fight to get back on track

#### The next months are critical, writes Charles Batchelor

operations and the fees paid by the railways for running the

Eurostar services exceed oper-

the Easter and summer

peaks whether its

services appeal to

travellers

railway equipment. They will

not cover interest charges,

Revenues from Eurotunnel's

shuttle services exceed fees

paid by the British, French and

Belgian railways for the use of

the tunnel for their Eurostar

roviding these targets

tunnel starts drawing down its

agreed loans in the second

quarter, Sir Alastair says. A

steadily improving cash flow

should encourage the banks to

stick with the project and not force a refinancing, which some City commentators have

vices appeal to travellers. The

can be hit the hanks should relax when Euro-

however.

passenger trains.

7 hen Sir Alastair Morton became co-chairman of Eurotunnel eight years ago the project was dogged by delays, financial difficulties and doubts about the credibility of the venture. The tunnel is now built and train services are running. But has much really changed in the

intervening period? The past 12 months have heen msrked hy missed start-up deadlines. Uncertainty continues to surround the financial soundness of the project, and the £10.5bn venture has still to convince the doubters that it can succeed.

Sir Alastair is not known for heing fslnt.hearted. He remains as convinced as he was on day one that the project will succeed and that 1995 will mark a turning point. "Now is the time to say 'phew'!" he

declares. "We have got to the point where we can start winning traffic, when Eurostar can start getting passengers and we can make some inroads into the market for rail freight." He acknowledges that the

loss of revenues from tha delayed start-up is serious. But provided Eurotunnel can start to claw back the deficit over the coming months he believes it can reassure its bankers and

Sir Alastair says April and for Eurotunnel. This should be

2000

THE SUNDAY TIMES

said will be necessary. Eurotunnel will also be able summer peaks whether its serbut doubts remain over the more spartan service offered

sting costs.

Cash flows into the com-However, all these plans could be thrown into disarray pany exceed capital outgoings if a price war breaks out with to TML, the consortium which the ferries when the spring and built the tunnel, and to supplisummer prices are announced Shuttle prices are currently ers of rolling stock and other slightly higher than those offered by the ferries The tunnel operator will reflecting the restricted service be able to judge from

> which Eurotunnel can charge. "In extremis we can take the market because our running costs, before interest, are lower than the ferries." Sir Alastair

and the novelty premium

But slashing prices would push into the indefinite future the prospect of covering Eurotunnel's huge interest bill. At present it hopes to cover all its costs, including interest, hy

"Once your cash flow is credible you can get to work on your financing costs," says Sir Alastair. He expects interest charges to account for 70 per cent of outgoings in three years time so it will become more important to cut interest charges than to squeeze operat

Sir Alastair believes that when he finally steps down from Eurotunnel "it will be a project which will not trip over its financing costs". He has signed on until October 1996 his final "sell-by date". Euro tunnel's success or failure will • Revenues from shuttle Eurostars are proving popular have been determined by then.

#### Norwegian finance group suffers profits setback

Norgeskreditt, an emerging Norwegian financial services groop, yesterday reported s decline in 1994 pre-tax profit to NKr219.3m (\$149m) from NKr272.5m. The fall was due to lower interest incoms and a drop in net capital gains, and came in spite of s sharp reduction in losses on loans.

Since 1992, Norgeskreditt has transformed itself from a mortgage institution to a finance group comprising Finansbanken, a mortgage company bought last November for NKr340m, and a division which specialises in loans to the municipal sector.

The group is the first to exploit recent legislation allowing the establishment of a group of financial institutions which can own a bank. Finansbanken is not consoli-

Section of the second seco

Mheimel

dated in 1994 accounts. Taking Finanshanken into account, Norgeakreditt'a combined sssets have rissn to NKr27.34bn at the end of 1994 from NKr19.7bn in 1992, when it began its expansion, In terms of loans, Norgeskreditt has a total of NKr28.2bn, com-pared with NKr24.3bn for Fokus, Norway's third largest

commercial bank. Norgeskreditt is currently undergoing an extsnsive streamlining and reorganisation as a result of expansion.

Net interest income last year fall to NKr278.1m from NKr313.7m as net capital gains were cut to NKr19.7m from NKr68.6. Loan losses fell sharply to NKr11.8m from NKr55.2m. Norgeskreditt proposed a

dividend of NKr7 a share, down from NKr8.50 in 1993. The payout ratio for 1994, at 50 per cent of net profit, is higher than 1993's 49 per cent.

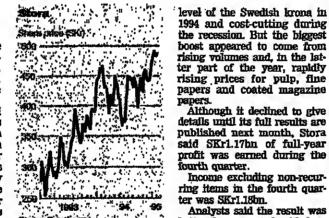
### Price and volume increases help lift Stora to SKr3.21bn in 1994

By Hugh Carnegy in Stockholm

forestry industry was underlined yesterday when Stora, the hig Swedish group, announced a six-fold increase in profits in 1994.

Preliminary figures showed profits after financial items jumped to SKr3.21hn (\$429m) in the full year, from SKr529m in 1998. The profit adjusted for non-recurring items such as capital gains, was significantly lower, at SKr2.63bn, but the scale of growth was still far ahead of underlying sales growth of just 14 per cent. Total sales in 1994 were SKr49hn, down from SKr50.4bn, but this was mainly due to the divestment during the year of Tarkett, Europe's largest manufacturer of hard

Industry observers say prospects for 1995 are even stronger



for Stora - which was recently overtaken as Europe's biggest forestry group by its Swedish rival SCA, when the latter bought 60 per cent of the Ger-

man group PWA. In addition to capital gains, Stora benefited from the weak

1994 and cost-cutting during the recession. But the biggest rising volumes and, in the latter part of the year, rapidly rising prices for pulp, fine papers and coated magazine

Although it declined to give details until its full results are published next month, Stora said SKr1.17bn of full-year profit was earned during the fourth quarter.

Income excluding non-recurring items in the fourth quarter was SKr1.18bn. Analysts said the result was

better than expected, with forecasts mainly pitched below

Stora shares rose sharply early yesterday after the fig-ures were announced, but fell slide on the Stockholm stock exchange to end the day down

### Samsung Electronics advances

Korea's largest slectronics company, reported a 450 per cent increase to provisional net profits for 1994 to Won850bn (\$1.07bn), due to increased exports for semiconductors. Sales rose 39 per cent to Won11,300bn, exceeding its target for 1994 of Won10,000bn. As the world's leading pro-ducer of dynamic random access memory (D-Ram) chips,

Samsung Electronics, Sonth

Dataquest, a aemiconductor market research company. The semiconductor division is estimated to account for between 70-80 per cent of Samsung's net profits, according to

analysts. The company's other main products include consumer electronics, tslscommunications equipment and personal

Samsung was helped by the depreciation of the Korean won against the yen, while the rise of the yen against the US dollar increased prices for Sam-sung's mainstay 4-megabit D-Ram chip to \$13 from \$10.

Samsung has set a sales target of Won13,200bn for 1995, including \$12bm in exports as global demand increases for the 16-megabit memory chip that it began to produce last

year. However, analysts expect that growth in net profits in 1995 may be sluggish, because of a 30 per cent increase in investments to Won3.000bn. Investments include

Won700bn on research and development, and Won2,800hn on production expansion. To finance the investment, Samsung plans to issue \$700m worth of depository receipts and honds this year against

• LG Electronics, tha new name for Goldstar Electronics, reported that net profits for 1994 increased by 98 per cent to Won130bn as a result of higher sales of consumer electronics in Korea and brisk

exports.
Sales increased by 23 per cent to Won5,300hn.

#### By John Burton in Secul

which store computer data, Samsung benefited from rising

Sales of Samsung semiconductors increased 61 per cent to \$4.9bn last year, accounting for 4.5 per cent of total market share worldwide, according to

global demand for personal

NEC said the two companies will jointly develop a next-gen-eration version of NEC's main-

ard, the world's leading supplier of OPEN-systems comput-

Last December, NEC submitted s bid for a bigger stake in the soon-to-be privatised Bull. But Mr Kobayashi declined to

comment on how many additional shares NEC would buy. NEC currently owns 3.74 per cent of Bull.

### the black

Nst profit was C\$12.2m (US\$8.8m.) or 10 cents a share, against a net loss of C\$88.7m, or C\$1.05, share a year earlier on revenues of C\$514m, up 47 per cent. For the full year. Repap posted a net loss of C\$88.4m or 75 cents a share against a loss of C\$211m (after special charges) in 1993 equal to C\$2.50 s share.

### Wanted: **Fund Managers.** No experience necessary.

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#### **NEWS DIGEST**

#### US cable TV groups seal **OVC** deal

The long-running takeover of QVC, the US home shopping TV channel, came to an end yesterday as Tele-Communications Inc (TCI) and Comcast, two leading US cable TV companies, said they controlled 98.7 per cent of QVC's equity, writes Tony Jackson in New

The \$1.42bn agreed deal, first announced last summer, had been held up by a challenge from the competition authori-

The deal means that TCI, the largest US cable company, raises its stake in QVC to 48 per cent from about 20 per group, and its affiliate comput-

cent, while Comcast, the fourth biggest operator, takes its stake to 57 per cent from 16 per cent. The two companies, which have long-standing links with QVC, bid jointly for the company last August in response to an offer from CBS, the TV network operator.

The competition challenge from the Federal Trade Commission (FTC) focused on the fact that TCI also owns a con-trolling stake in a rival home shopping channel, Home Shopping Network. QVC and Home Shopping control almost all the US market between them, with roughly equal shares. Earlier this week, the FTC voted unanimously not to

hlock the deal. **NEC and Groupe Bull** in venture

NEC, the Japanese electronics

er-maker Groupe Bull of France plan to sell a new very large mainframe computer in Japan and France in December 1996, writes Renter from Tokyo.

frame computers, which NEC symples to Bull on an original aquipment manufacturing NEC aims to sell about 80 new computers in Japan over

the three years from December NEC said the market trend is for open-system server computers. Earlier this month, it announced s development agreement with Hewlett-Pack-

### Repap returns to

Repap, one of North America's top coated paper producers, swing back to profitability in the fourth quarter with s strong recovery in product prices, reports Robert Gibbens

Revenues were up 31 per

The manager whose fund has grown to the highest cash value by August 27th 1995 will be awarded the grand bonus of £100,000.

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# Lloyds Bank improves 26%

By John Gapper, Banking Editor

Lloyds Bank yesterday pleased the market by announcing s 26 per cent rise in pre-tax profits from £1.03bn to £1.3bn, as its retail banking business showed signs of resumed growth.

The outcome was buoyed by

a 73 per cent decline from 2503m to £135m in provisions for bad and doubtful debts. Lloyds' shares rose 10p to

560p, prompting sympathetic gains among the other clearers, after the bank disclosed thet its domestic net interest margin widened slightly in the year to December 31, and new mortgage lending rose 21 per cent. contributing to a 1 per cent rise in its domestic assets.

Sir Brian Pitman, chief executive, said Lloyds was starting the year "with a tailwind" for the first time in three years because customer balances were rising and there had been a "pick-up" in lending to small businesses.

Sir Robin Ibbs, chairman, indicated that the bank would not make further acquisitions until the completion of its £1.8bn purchase of Cheltenham & Gloucester Building Society, due this autumn after a vote of C&G members in the spring.

Sir Robin, who declined to discuss whether Lloyds might buy the outstanding 37 per cent of Lloyds Abbey Life, said plete the task in hand before

The bank said there were "no plans for any issue of equity" to fund the purchase, although it is expected to reduce the tier 1 ratio of core capital to risk-weighted assets from 7.8 per cent to 5 per cent. Sir Brian said that, without

the C&G acquisition, Lloyds would already have become over-capitalised. Shareholders' equity grew by 20 per cent to £3.56bn, and it raised an additional £800m in loan capital. The final dividend is 18.3p.

making 25.8p (22.1p) for the year, a rise of 17 per cent. Earnings per share rose 30 per cent to 61.7p (47.4p) and posttax return on shareholders funds rose to 23.7 per cent (21 Staff received £44m (£37m)

under the bank's profit-related pay scheme, and it will intro-duce a separate governmentbacked profit-related scheme from April. However, unions called for staff to receive further benefits from profits. Although the trading surplus of income over expenditure fell by 6 per cent, from £1.51hn to

provision, improved 27 per cent to £1.28bn (£1.01bn). Profits before tax in the UK retail banking and insurance division rose to £437m (£319m). while corporate banking and treasury contributed £302m (2280m) and private banking

Kingfisher yesterday brought

Mr Eddie Styring back to the

troubled Comet electrical retail

chain, among a string of other

He returns as chairman, to

The group said the moves

illustrated the determination

of Sir Geoffrey Mulcahy, who

was last month demoted from

executive chairman to chief executive, to take prompt and

decisive action to get experi-

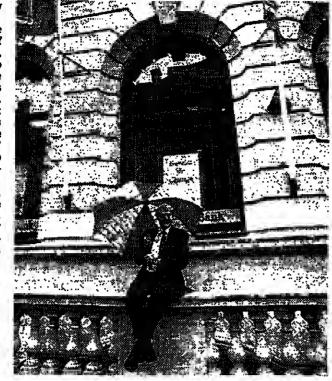
enced retailers in all of its

take charge of the chain's

appointments

recovery plan.

£1.41bn, operating profits, boosted by the lower bad debt



and financial services £96m (£98m). Pre-tax profits from international banking fell from £153m to £112m, partly due to a loss on a government securi-ties portfolio held by Banco Multiplic, a Brazilian associate, and lower dealing profits else-

Styring returns to Comet as

pair of hands just when it's

needed - but he will be imagi-

He left Comet in 1989 to turn

round European Brands, a

management buy-out market-

ing cosmetics and haircare

products. In the two years before he left, Mr Styring

worked with Mr Brent Wilkin-

son, now managing director at

Comet, more than doubling

Mr Martin Toogood has moved from retail director of

Woolworths to become manag-

ing director of B&Q Super-

operating profits to £29m.

native as well".

ousinesses. centres under Mr Jim Hodkin-Mr Styring, 50, was described son, chief executive. Mr

chairman to plan recovery

The problem country debt division contributed £328m (£260m) helped by a £240m release (£46m) of former provisions. Sir Brian said that the financial crisis in Mexico had "no material effect" on Latin

Toogood is replaced at Wool-worths, which has similar

problems to Comet, by Mr Leo

Mr Saeed Hatteea, formerly

of Marks and Spencer, is leav-

ing Woolworths and will be

replaced by two trading direc-

tors from within Kingfisher to

head merchandising and buy-ing - Mr George Adams and

the strategy to arrest the decline at Woolworths and

The shake-up at the top of

Kingfisher followed clashes of

management style and steep

Sir Geoffrey plans to unveil

Mr Kevin McCarten.

Comet on March 14.

McKee, personnel director.

#### Littlechild sparks Capel downgrading of generators

By Peggy Hollinger

The government's plans to sell its 40 per cent stakes in National Power and Power-Gen, the UK's two largest generators, yesterday suffered a further publicity setback as a leading London broker downgraded his recommendation on

James Capel, one of the few London brokerage houses not tied up in the international syndicate marketing the shares, has moved its recommendation from a buy to a hold after the publication of the pathfinder prospectus on

Publication had been delayed by a week after Prof Stephen Littlechild, the electricity regulator, warned the generators that he was monitoring their actions in light of recent high price rises. Mr John Reynolds, Capel's

pathfinder had increased concerns over the issue. "The regulatory risk now is greater than at any stage previously." His opinion was backed by other analysts who said the

prospectus had failed to give as much comfort as it might bave done. "The regulator gave virtually no indications of where the generators stand in terms of a possible Monopolies and Mergers Commission referral." said one. The prospectus drew

together recent statements made by the regulator on recent high electricity prices and undertakings to dispose of 6.000MW of generating capacity. If the regulator is not satisfled on either issue he has said he could refer the generators to the MMC. See Weekend Money

#### **Headway lowers** deficit but gives warning

Headway, the packaging and furniture group, cut pre-tax losses from £623,000 to £221,000 for the six months to December 31, but warned that it might have to close its Aronstead garden furniture and nursery products company. The shares yesterday dipped

Turnover was 19 per cent higher at £13.8m compared with £11.2m. Interest charges increased to £117,000 (£101,000) but there were no reorganisation costs against 83p at the start of the year to 68p on Thursday, amid fears

Losses per sbare were reduced to 0.9p (2.6p).

#### **BAA** plans Manila venture By James Harding

BAA, the airports group, is

planning to build an airport cuss the plans. outside the UK - in a joint venture with a consortium of businessmen from the Philip-The proposal to develop a

new international terminal at Aquino airport, marks an important step in BAA's efforts to build an international busi-

The project, details of which are still being worked out with BAA's partners, Asia's Emerging Dragons Corp, will come before the government for approval next month. Mr Gordon Edington, group property

Senior Engineering, the

tubular products, ducting and thermal engineering company.

a writ in connection with a dis-

pute over reliability problems

The announcement comes

only four months after Senior

said problems on several con-tracts, and a sbortfall in

orders, in its thermal engineer-

ing division would leave 1994

pre-tax profits "significantly lower" tban the £24.2m

achieved in 1993. The shares rose 8p yesterday

reverse, which concerns a cou-

tract in a large turnkey power project business - discontin-

The statement was made

partly to stabilise the shares,

which had drifted from about

ued in 1992.

on a completed UK contract.

By Andrew Baxter

director and chairman of BAA International, yesterday met President Fidel Ramos to dis-

series of meetings with AEDC. a group of six of the country's ethnic Chinese business leadundertaking to construct a 10m year to 11m by 2003. passenger terminal to open in 1998, the centenary of Philippine independence.

The financing of the project is still under discussion but

observers estimate that it will cost \$300m (£194m). Of that, 25 per cent is expected to be pro-vided by the two partners with BAA contributing less than

Construction of the terminal

is likely to be carried out by the joint venture, with BAA taking over the management of the airport on completion.

traffic for the Philippines indicate thet Aquino airport will have to increase its capacity ers. to discuss their joint from the current 6m people a As well as the construction

of the Manila terminal, BAA and AEDC are also considering developing a domestic terminal at the former US Clark Air Base, 50 miles north of the capital. Building the smaller airport at Clark is contingent on

#### agreement for the international terminal, but could be finished as early as November

# Senior served with contract writ

60 Luciantina andò 1903 94 - 95

Share price (pence)

that Senior's silence presaged further bad news from thermal engineering. In the event, the company stressed its confidence that 1994 profits, due to be announced at the end of March, would be in line with market forecasts of £18m to

The main problem in ther-

mal engineering had been a significant, unidentified UK contract which had been hit by worsening cost overruns.

Although the final negotia-

tions on the contract still involved some uncertainties. the company indicated the division would still break even in 1994, as previously indi-cated Mr John Bell, chief executive, said some of the smaller contract problems had been resolved more favourably than initially expected.

He said the company would

mount a vigorously defence against the writ, which it received last week. It involves a plant that was handed over to the customer in early 1993, and on which there was a warranty until this month.

Mr Bell said Senior had provided for the expected £3.5m cost for "fixing" the plant's reliability problem. Directors believed any further significant provision was unlikely.

# RESULTS

Greenwich Comms § Yr to Aug 31 Headway 6 mits to Dec 31 Lloyds Bank Yr to Dec 31 Sothebra	0.221 18.3 -	(0.262 ) (11.2 ) (- )	0.045L 0.221L 1,304‡	(0.065L) (0.626L) (1.091‡) (-)	0.65L 0.9L 61.7	(0.85L.) (2.8L.) (47.4.) (-)	18.3 6*	May 3 Mar 20	15.5 6	25.8 24	0.7 22.1 33
Investment Trusts	NAME	(s)		<del>sababio</del> go (Ent)	P1	(p)	Current payment (p)	Date of payment.	Corresponding dividend	Total for year	Total leat year
Amicable Smaller	137.99 59.23 449.7 63.9	(142.66) (+) (492.64) (-) (64.54)	1.16 1.12 0.848 0.512 0.182	(0.722 ) (- ) (0.882 ) (0.473 ) (0.255 )	2.88 • 6.7 7.35 3.23 0.61	(3.46 ) (- ) (7.65 ) (3.05 ) (0.86 )	1.4 3.48 4.65 1.25	Apr 5 Apr 28 Mar 27 Mar 24 May 5	1.7 - 4.5 1.25 0.28	3.1 8.48 6.86	8.4 6.65 5.26 0.28

Dividends shown not. Figures in brackets are for corresponding period. SUSM stock, \$After £135m (£503m) provision for bad and doubtful debta, \*\* Gross US canta. \*\*Comparatives restaure, different Movember & 1993 (data of incomparation) to December 31 1994, \*\*Second Inform mainte 2.5p to data; peld gross to non-Jersey residents.

#### Wimpey acquires **McAlpine** minerals

By James Whittington

George Wimpey, Britian's biggest bousebuilder, has strengthened its aggregates interests by acquiring Alfred McAlpine's UK minerals division for £43.5m cash.

The 16 quarries and five asphalt plants acquired are based mainly in Scotland and Wales and have total reserves of 100m tonnes. Net operating assets to be purchased were £36.3m at the end of 1994, while operating profit was £2m on turnover of £18.5m in the eight months to June 30. The price includes an esti-

mated £12m repayment of inter-company debt. Although the agreed price represents a premium to net book value, analysts said McAlpine had originally sought more than 250m for the businesses. Mr Garry Forster, compan

secretary at McAlpine, said the money received would be used to reduce net borrowings of £30.2m at the end of December, bringing gearing down from 16 per cent to about 3 per cent. The disposal would be broadly earnings neutral".

Mr Joe Dwyer, Wimpey chief executive, said the purchase vas in line with the group's strategy of consolidating its aggregates division. It would "match perfectly Wimpey's current mineral operations,

which are based mainly in Scotland and Wales". The acquisition will add about 4.5m tonnes of dry-stone and 400,000 tonnes of coated stone to Wimpey's current output of 12m tonnes of drystone and 2.7m tonnes of coated stone. The combined quarries will make Wimpey inerals the UK's fifth largest producer of drystone and fourth largest of coated stone. Mr Richard Saville, finance director, said the purchase

vould probably increase gearing by some 8 percentage points but added that it would still be less than 20 per cent. He expected operational efficiencies and a cut in overhead costs to improve the acquired businesses' annual operating profits to £4.5m. He estimated rationalisation costs of about film in the first year. McAlpine retains its US

aggregates division and its UK specialist roofing slate and asphalt laying business. Industry analysts described the sale as good news for both companies. Wimpey's shares

rose 5p to close at 129p, while McAlpine's were np 1p at The proposed sale will be put to McAlpine shareholders at an extraordinary meeting

#### Strong second half at Forte's

**London hotels** 

By Motoko Rich

Forte, the botele and restaurants group, said yester-day that sales in its Loudon botels had continued to improve in its second half. Occupancy rates remained above 60 per cent and the average price per room was up 10 per cent in the six months to January 31.

Posthouse, the UK three-star brand created in 1992, had performed particularly well. How-ever, Forte had come under competitive pressure in the UK provinces, and hotels in northern Europe had performed unpredictably.

In September, the group reported pre-tax profits up 62 per cent at £60m for the six months to July 31, on sales of

It said changes in the accounting treatment of prop-erty sales subject to leasebacks would change some fig-ures in the 1993-94 accounts: 2410m would be added to net operating assets and £460m to liabilities. A non-cash accounting charge of £10m would be taken against 1994-95 profits. The shares dipped 3p to

242p.

● Mr Roy Tutty, deputy group director of Forte Hotels, has joined the Department of National Heritage on secondment for a year as tourism

#### **Greenwich Comms** losses reduced

Reduced annual losses were reported by Greenwich Com-munications, the USM-traded group which supplies and installs satellite television receiving equipment in Portugal.

The outcome of £45,200 before and after tax for the year to August 31 compared with losses last time of 265,300 and came on turnover down 15 per cent at £221.400.

### Six more defections in Warburg 'brain drain'

John Gapper

The brain drain from SG Warburg's equity capital mar-kets group continued yesterday with the departure of another six syndicate officials from the 30-strong team. They are thought to have

approached Morgan Grenfell, Deutsche Bank's investment banking subsidiary, with a view to joining their former bosses, Mr Maurice Thompson and Mr Michael Cohrs. who resigned as joint heads of equity capital markets on Tuesday to take up similar roles at the German bank's

David Charters and Mr Jeremy Bailey, both directors, Mr Adam Shutkever, Mr Bruce Rigal, Mr Hubert Keller and Ms Dawn Singleton. The news was another blow to Warburg after five difficult

The latest defectors are Mr

months during which the bank has issued a profits warning, failed in merger talks with Morgan Stanley and largely pulled out of the eurobond market. Its share price fell by

25p to 726p yesterday. Shareholders expressed some

whether Warburg's manage-ment, under Lord Cairns, its chief executive who is to become chairman in June, was as strong as it had been in the 1980s. "There seems to be a bit of untidiness there at the moment," said one investor. But another was "still comfortable" with developments, arguing that it mirrored uncertainty at other investment

Warburg said: "Teams come and go - it's a fact of life." adding that the posts had already been filled internally. Warburg has one of the best names in the equity business and that hasn't changed."

However, some say Warburg's syndicate expertise may prove hard to replace overnight. "They are one of the top teams in the market - innovative and creative, and they had the kind of deals that allowed them to develop new ideas and techniques," said a dealer.
Equity capital markets

departments handle primary equity issues done through bookbuilding, including most international issues and some UK privetisations. Demand for highly qualified

equity specialists is likely to continue rising as houses jockey for position in the race for lucrative privatisation mandates. Bankers estimate that some \$100bn to \$200bn (£129bn) of state-owned companies worldwide are slated for privatisation in the next 5 to 10 years. "The fees earned on those mandates will be enormous," said one banker. That may explain the heady

salaries being awarded to experienced equity syndicate bands. While packages of between \$1m and \$2m for senior executives are considered the norm, Cohrs and Thompson are thought to have been offered much more. Distribution staff, such as

sales and trading, and research analysts are also expected to be sought after as houses beef up their equity operations. Warburg's highly rated cor-porate finance and research ams remain an asset for the

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MINN TORWARD EVERY

bank which some say will facilitate a comeback. Primary equity business is "won by corporate finance and executed by sales - the syndicate team is just one link in the chain." aid a rival syndicate manager.

### Panel sticks by Trafalgar view

The Takeover Panel said yesterday that it had no reason to change its view that Trafalgar House and Swiss Bank Corporation did not breach the Takeover Code by agreeing controversial derivatives contracts ahead of Trafalgar'e £1.2bn bid for Northern Electric.

However, the Panel stressed that this was not why it turned down Northern's request for an immediate appeal against its original ruling clearing the contracts. The Panel decided it would not be "appropri-

ate" to hear an appeal relating to an alleged breach of Code Rule 4 where there was any possibility of future insider dealing prosecutions. Rule 4 mirrors the wording of the insider

Trafalgar is concerned that questions raised

over the contracts might cloud the issue as Mr Michael Heseltine, the trade and industry secretary, considers whether to refer the bid to the Monpolies and Mergers Commission

In a statement yesterday Trafalgar said that before the bid it sought a view from the Takeover Panel executive regarding the contracts and "any possible purchase of Northern Electric shares by the SBC marketmaker to hedge the risks under those contracts".

It added: "The executive ruled that, on the basis of the information available to it (which included being informed that advice in law had been received by SBC from Allen & Overy and Mr Richard Sykes QC and had been received by Trafalgar House from Linklaters & Paines and Mr Richard Sykes QC), these matters would not constitute a breach of any Rule or Principles of

### City's mood swings over Northern bid referral

back on the boil this week as the market began to modify its views on prospects of a referral to the Monopolies and Mergers Commission of the hostile £1.2bn bid by Trafalgar House for Northern Electric.

Shares have risen sharply over the last five days, after falling the previous week on expectations that the bid ael Heseltine, trade and industry secretary. The market, which is expecting an announcement early next week, is now not so sure. The longer a decision is delayed. the less simple the issues seem

Northern has called for an inquiry on the grounds that Trafalgar's is likely to be the first of many bids in the sector. Therefore, it argues, the government should ensure customers' interests are protected before allowing privatised utilities to become subsidiaries of

unregulated companies. Northern has had considerable success in drumming up local political support for its case and has fuelled the fears prompted by Trafalgar's com-

plicated and foreign ownership structure and troubled history. The government has, as in all potential referral cases, taken the advice of the Office of Fair Trading. The OFT, in turn, has sought the views of the electricity industry regulator. Neither adviser is thought to have called for a referral and the trade secretary rarely

opposes their views.

The OFT is mainly concerned with competition issues and clearly there are no such concerns in this case.

Prof Stephen Littlechild, the

electricity regulator, will want to ensure he can still regulate a utility which becomes a subsidiary of another company. He has already given his tacit backing to the principle of a hid by telling Trafalgar before it pounced thet he would find it easier to accept if customers benefited. Trafalgar has compiled with the promise of a £20 pay-out and sought to

Peggy Hollinger weighs up the prospects of an MMC inquiry



is expected early next week

as a separate company, with its own secounts and board. At first glance, referral seems absurd. There are no competition issues and the utilities are, in effect, already ringfenced by current legislation which any new owner would be bound to abide by.

The government must also consider its commitment to free market principles. Why should it intervene to hinder market forces by referring the bid? Indeed, many argue that the fact the government timed its golden share in the recs to expire at the end of next month means it actually wanted takeovers in the sector. Few in the industry or the

City can see the logic of refer-ral. There is not a case in my view," said one rec chairman. "The ownership and accounts are ring-fenced anyway. And they do not need the MMC to lay down ground rules for fur-ther takeovers. That could be covered by regulation."

Yet there remains a view thet the government will choose to refer the bid anyway. On purely practical grounds takeover activity in the sector could be inconvenient at present. The government is preoccupied with ensuring the sucallay any regulatory concerns case of the £4bn sale of its 40 allow it to proceed, possible by promising to run Northern per cent stake in the two with some strings attached."

There is also the forthcoming demerger of the National Grid, the electricity transmission system. Takeovers could unsettle the delicate negotiations between the Treasury and recs aimed at reaching a of the benefits between customers and shareholders. "If it goes to the MMC it is only a delaying tactic," said another electricity executive.

"They will want to get these things out of the way first." The political motivation for a referral is even stronger. Mr Heseltine will want to avoid leaving the government open to attack on any aspect of a utility takeover. He could call for referral on grounds of public interest.

As this is certain to be the first of many, he may want the MMC to check that the concessions offered by Trafalgar will allow effective regulation and protect customer interests in other takeovers

There is also a growing and vocal group of backbench MPs, many from his own party, who favour a referral. The govern-ment, which has suffered several backbench rebellions recently, cannot afford to ignore their views.
As the markets closed yester-

day, none could say for sure which way the decision would fall. One sceptical electricity chief suggested Mr Heseltine might decide not to refer the bid as the government would suffer less in the short term, in spite of the inevitable controversy which would result. "Why drag it out for six months, and get attacked all over again when the decision is announced," he said.

Most were agreed however that even if the bid is referred, the MMC will find little to oppose. "It is very finely bal-anced," said Mr Nigel Hawkins, electricity analyst at Hoars Govett. "But if it is referred, the MMC will almost certainly allow it to proceed, possibly

### Castrol India advances 75%

By Peter Montagnon, Asia Editor

Pre-tax profits at Castrol India. the third largest company in the Burmah Castrol group after the US and Germany, rose by 75 per cent to £15.2m in

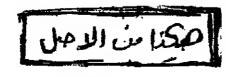
Burmah Castrol, which has targeted India as a high growth

at its 51 per cent-owned subsidlary reflected a 40 per cent increasa in turnover to

Mr Ian Pringle, Castrol Asia-

area following its economic deregulation of the indian reforms, said that the increase lubricants market. lubricants market. Castrol India, which is listed increase in lubricant sales to Exchange, has declared a total increase in turnover to increase in turnover to devidend for the year of Re7.50,

double the previous year's level after adjustment for the scrip issue of May 1994. The Pacific director, said competi-tion was intensifying following 3-for-5 scrip issue this time.



#### WEEK IN THE MARKETS **Analysts** welcome shake-out

Metal markets ended the week in a nervous state after a few days of what one trader described as "carnage."

Investment funds started to pull some of their money out of commodities and cansed very sharp price falls. However, London Metal Exchange prices recovered late in the week and were helped again yesterday by substantial falls reported in LME stocks – which indicated that demand for physical metal

remains solid. Nevertheless, the performances of the LME metals varied greatly. By the close last night, copper for delivery in three months had regained most of its losses and was only 0.2 per cent below its starting

(As at Thursday's o		
Aluminium Aluminium alloy	-16,125 -120	te

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Akuminium	-16,125	to 1,505,050
Aluminium alloy	-120	to 30,540
Copper	-4,625	to 301,525
Lead	-1,200	to 325,100
Nicipal	-2,384	to 135,830
Zinc	-10,875	to 1,137,850
Tin	-515	to 26,260

level on Monday morning, at US\$2,874.50 a tonne. In comparison, nickel lost 11.8 per cent of its LME value over the week to close at \$8,553 a tonne.

Among the other LME metals, tin was down 2.15 per cent over the week, lead was down 6.1 per cent, zinc lost 7.6 per cent and aluminium ended 8.18 per cent down.

Metal prices have been heavily influenced over the last 15 months by investment funds, based mainly in the US. It was to be expected that at some point they would take their profits - \$1,000 a tonne on some metals - and quit the markets.

They moved this week, having decided to shift some of their money into reviving bond and equity markets. The "sell" signal seems to have been triggered late on February 3 by employment statistics which

#### indicated US economic growth was slowing at last. There was also concern that recant increases in US interest rates would hit two big metal users, the car and construction industries.

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Many analysis welcomed the shake-out in metal prices as overdue because markets had become overheated and needed to cool down. Mr Jim Lennon, analyst at Macquarie Equities, part of the Australian banking group, said: "It brings some semblance of reality back to markets which had been driven too far upwards by spec-

ulative buying.
"Nevertheless, the underlying fundamentals still remain strong for all the metals. Consumption growth shows no signs yet of easing in any of the main markets."

Mr Lennon says the funds probably still have some selling to do. On balance, "it is likely that the present price rally will be short-lived and a further sell-off will take prices to below fair values currently justified by the fundamentals." Mr Ted Arnold, analyst at the Merrill Lynch financial services group, also suggests that "there might be some good price rallies left in metals mar-

At Ord Minnett, an associate of Jardine Fleming, Mr Nick Moore suggests the present market situation is "a bit like watching a man on a tightrope
will he fall or will he make it
across?" Mr Moore says the
metals price fall was "a much needed dose of sobriety." It was not just a correction but "a de-rating of metal prices." He suggests that mices might fall by 20 to 30 per cent from the peaks they reached in mid January. But this would still

the bear market is here."

itable for producers. While LME stock figures yesterday showed falls for all metals, the International Primary Aluminium Institute surprised the market with statistics showing that total adminium stocks at western smelters rose

#### **WEEKLY PRICE CHANGES**

	Latest	Change	Year		04/5
	prices	on week	ago .	High	Low
Gold per troy ez.	\$376.60	+0.70	\$380.76	\$396.50	\$369.50
Silver per troy oz	305.50p	+4.85	358.0p	384,500	299.55p
Aluminium 99.7% (cash)	\$1910.0	-174.6	\$1244.5	\$2106.5	\$1107,50
Copper Grade A (cesh)	\$2894.5	+10.6	\$1824.0	\$3055.0	\$1731,50
Lead (cash)	\$574.5	-42.5	\$480.5	\$690.0	\$426.D
Niciosi (cash)	\$8407.5	-1127.5	\$577.5	\$10160	\$5210.0
Zine SHG (cash)	\$1022.0	-84.0	\$954.5	\$1208.5	. \$900.5
Tin (ceeh)	\$5490.0	-115.0	\$5575	\$8470.0	\$4730.0
Cooos Futures May	£1007	NC	2897	21124	2859
Coffee Futures May	\$2795	+147	\$1204	\$4091	\$1175
Super (LDP Parw)	\$345,2	-8.1	\$270.1	\$368.6	\$252.9
Barley Futures May	£102.25	-1.75	2103.05	£106,15	292.85
Wheat Futures May	£110.10	-0.05	08,003	£117.80	C97.80
Cotton Outlook A Index	96.35	-1.40	81.00c	99.75c	62.45c
Wool (64e Super)	010p	+10	380p	512p	342p
Oli (Brent Blend)	\$16.635z	-0.125	\$13.715	\$18.61	\$13.16

#### **COMMODITIES AND AGRICULTURE**

SE META IDON ME	ALS Tal exc	HANGE		CIOUS LD COM				
	rested Metal To 7 PURITY & or			Sett price	Cycolin Dally	15gh	-	in.
	Cash	3 mths	Feb	378.4		377.3	378.6	1,2
			Mar	377.0		:		
	1909-11	1951-2	Apr	378.4				70,00
LIS	1863.5-4.5	1935.5-6.5	-	381.8				29,23
		1970/1935	ALIG:	385.7		396.4	3551	15,57
Cicial	1912-3	1853-4	Oat	389.7	-0.2	-		440
cicee		1949-50	Total					170,20
int.	235,417		E PL	MUNTA	MME	( 50 Tr	oy oz.	Shop
daily turnover	67,237		-	415.0	+0.8	415.5	MAE	16.50
UMBARA ALL	OY (5 per tonn	6)	No.	418.5				
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us	1875-85	1922-3		426.2				15
OW COM	1013-03	1990/1925	Telef	~~	444			22.95
ficial ·	1880-5	1925-30		LLADIUS	MYM	2X (100	Troy o	
int.	2.608	1820-40	Mar	155.80	+0.25	159.10	158.50	40
daily tumover	553		=			161.00		
-			Say.		+8.50		-	77
AD (\$ per tonni	4		Dec	162.90	+0.50		-	6
	574-5	593-4	Total					7.52
	575-6	594.5-5	III SE	VER CO	MEX (10	10 Troy	OZ; C	MINE /
<b>344</b>		509/580	Feb	474.5	+0.1	774.0	4740	20
(Sciel)	576-7	595-5.5	iller	475.7	+17.1	477.0		
does		505-6		478.1		4/170	400	DU,40
irst.	40,286		May	480.8		452.5	700 5	22 70
tally turnover	13,938			401.5	40.2	-443	41872	44,00

Open in Total di Close Previous High/low AM Official 8551-6 8340-50 8550/8825 8475-80 8525-35 8405-10 8190-200 59,675 23,262 ENERGY III CRUDE OIL NYMEX (42,000 US galla. S/ber TIM (5 per torme) Intest Day's Page 100 De grant Score prior change High Low St 9 18.45 +0.21 18.52 18.22 77,055 33, 18.27 +0.22 18.37 18.08 87,811 24, 18.11 +0.18 18.13 17.91 34,002 8, 18.00 +0.10 18.01 17.93 56,401 5, 17.80 +0.13 17.80 17.80 17.80 5,401 5, 17.85 +0.13 17.80 17.80 17.80 5,401 5, 17.85 +0.13 17.80 17.80 17.80 5,401 5, 17.85 +0.13 17.80 17.80 17.80 17.80 18.40 87,

\*

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Close
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Kerb slose
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Total delty turnover 2894-5 2855-6 241,221 69,228 III LINE AM Official £/8 rate: 1,5565 LIME Closing £/8 rate: 1,5642 Spot 1.5826 3 miller 1.5610 0 miller 1.5501 4 miller 1.5571 leave them at levels very prof-HIGH GRADE COPPER (COMEX)

Silver Fix.
Spot
S morate
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1 year
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Maple Last
New Sovere

III LONDON BUILLION MARKET Prices supplied by N M Rothschild

\$ price \$77-380 387.00-369.40

| Common changes | Comm to 3.584m tormes in December.

Kenneth Gooding PRECIOUS METALS

	prices	on week	*00	High	Low	
Gold per troy ez.	\$376.60	+0.70	\$380.76	\$396.50	\$369.50	_
Sever per troy oz	305.50p	+4.85	358.0p	384,500	299,550	
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Wool (64s Super)	0100	+10	380p '	512p	342p	

#### | Labort | Day's | Days 東京教育大学の Opening \$78.50-\$78.90 Morning 8x Affamoon 8x S78.70-\$77.10 Day's High Day's Low \$78.70-\$77.10 Previous closs \$75.70-\$78.10 378.40 241.794 488.509 378.40 241.251 484.484 378.70-377.10 378.21-378.80 popper. Demand for peopler has been deep-pointing for quite same time and there are po-posed it indications that the situation will change. Nevertheriese, in upte of the present full in market contitions, prices remain steady, from which we can seeume that, once demand-returns, they will tend to get firmer. No produc-ers are presents for sales, not even histe, where the crop is gradually contag off. White papper from Indonesia is offered at about US\$3,560, p.L.f., and black pepper, face, of any origin, at \$2,575/2,400 c.L.f. +0.06 +0.06 +0.26 +0.23 +0.26 p/troy cz. 305.80 810.85 315.75 326.05 56.30 55.86 20,422 11,710 57.75 57.15 18,018 4,983 57.05 56.45 14,043 2,089 50.38 50.00 4,463 613 50.55 55.55 2,573 135 50.55 18,127 482.80 480.40 506.15

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	Labora	Day's			Open		Total					01,251	11,545	Total	BAR '11'	-000	112 000	Barr 25	23,596	
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	48.05				32,980		Mar	351,5			***	_:		Mar	14.25	+0.18	14.35		45,817 51,895	
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.lea	48.00	14-37	-0.10	W.45	9,571	1,403	مول	250.0	-					Oct	12.83	+0.02	12.80	12.81	33,631	
M	48.14				8,960	793	Testad					840	277	Mar	1244	+0.01	12.47	12.38	8,413	
Ag	48.70	+0.32	48.70	48.70	4,121	825	FR	ERGHT (B	FFEX) I	TCE (\$1	D/index	point)		Total	12.36	+0.01	تلساز	12.37	2,407 179,298	23
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<u> </u>	S OIL PE						Marie .	2035	+20	2040	2025	259	11	Mar	90.99		91,95			7
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Feb Pher	143.00		148 40		20,484			1750	-18	•	•	108		Oct			79.30		4,575	
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	TURAL O	AS W	MEX Mo			- 1								Mary	107,20	-0.50	107.25	105.30	5,905	
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20	•	+0.008	1,520		25.485									J=0	114.20		114.08	113,50	990	
-		-0.007	1,530	1,500	15,277									Total					24,855	2,
作物	1,535	-0.002	1,555	1,525	12,577	914														
2		-0.003	1,590		11,239	230	Spic								n= -					
And And			1.840		11,276			bebber I							LIME DATA		/olume	date	shown	
Total					151,345			d jupares						contr	acts trade	na be	COME	X, NY	MEX,	œ
af UNE	EADED	CASO	LNE				pepp	er. Derre	and for	peppe	r has I	been d	SEP-	NYC	e, cime, c	SCE m	nd IPE	Crudo	Of the	D
MYM	EX (42,000	US garde	L; DUS p	mile.)			point	ing for q		ne this	and t	THE WHOLE	D TID	any I	n arrears.					

GRAINS AND OIL SEEDS

Sett Day's price change High Low

WHEAT LCE (2 per tonne)

	■ COC	OA LC	(C/ton	10)			
Yol		Selfa perice	Bey's change	High	law	Open.	Yol
141	No.	1006	+6	1010	989	30.299	1.540
147	200	1007		1000	900		
	34	1015		1010	1012	11,139	443
30	200	1000	+8	1030	1022	14,142	212
125	Dec	1037		1035		15,683	164
41	Mar	1047		1048		13,416	434
505	Total					116.163	
el)	■ COC	COA CS	CE (10 %	onnee; \$	/tonne	<b>(4)</b>	
.406	Mar	1358	+25	1363	1329	10.596	4.240
362	May	1367		1390	1350		
<b>J081</b>	Jei	1410		1412	1383	11.033	354
124	Sho	1433		1426	1405		
130	Dec	1456		1452	1438		
-	Mar	1478		1447	1447	6.540	75
111	Total					71.855	
-0	■ COC	OA (ICC	CO) (SDF	d's/tonn	6)		•
,019	Feb. 6			Price		Provi.	
.523 268	Delty			. 992.15		993	1.92
161	E COF	FEE LC	E (S/toru	10)			
.961 667	Mar	2855	+10	2862	2807	9,271	1,113
301	Mary	2793		2806	2725	10,171	2,706
,	34	2752		2760	3690	3.811	459
	Sap	2737		2735	2680	3,561	215
-	Nov	2728	+30	2725	2690	966	12
-	3-2	2715	+20	2720	2720	111	28
-	Total					27,861	4.530

SOFTS

Jef	2752	+54	2760	3690	3,811	459					
Sap	2737	+34									
How	2728	+30					LONDON TRA	WE	$\mathbf{D}$	PIK	ONS
3-2	2715	+20	2720	2720			Strike price \$ tonne		alle		-
Total						4,530		_			
<b>E</b> CO	FFEE C'	CSCE	(37,500	DS; CBF	kts/lbs)		(90 7%) LME	•			N.1
1	162.75	+3.85	163,80	157.25	11,386	5.313		Apr	Jul.	Apr	لدائ
May	164.60		165.75				1800	177	167	37 74	130
	165.7D		186.80			1,444	2000	69	121	127	191
Seo	166.30	+3.70	167 30	161.65	3,682	736		03			181
Dec	168.20	+3.00	187.00	161.50	3,551	341	■ COPPER				
1	165.20	+3.00			329		(Grade A) LME	Apr	Jul	Apr	لايال
Total						11,480	2700	-	172		80
- ~	FEE (ICC	w mic .	-antala	named a			2800	146	120	56	125
	TEL ION	7105	SQL HOVED	-,441,01			2900	92	30	191	183
fall. S			Price		TOL	day	COFFEE LCE	Mar	May	Mar	M3
Соптр. г	yes		148.17	7	14	8.23	2700	157	219	2	1.76
ر بعث 15	zverage		_ 148.04	ı	14	8.50	2750	111	19.	6	143
■ No	PREMIL	M RA	W SUG	AR LCE	toenta	/Ibal	2800	71	168	18	175
-	14.30	+0.24			925		COCOA LCE	Mar	May	Mar	May
Ξ,		+0.14			060		975	34	62	3	50
☲ _	13.40			- :	2,300		1000	19	49	10	42
Oct	12.53						1025	6	38	25	56
Jan .	11.95						BRENT CRUDE IPE	Apr	Jus	Apr	Jul
Total					5,065		1650	53	79	33	82
-	TE SUO		MAnn.	-			1700	31	58	62	111
	12.000	<b>V1 DUC</b>	(Javessa)	ю			1750	18	43	SB	146
	390.1	+1.B	400.0	396.2	5,407	2,405		10	-0	,54	0
رطنا	393.1	+3.5	393.5	389.5	0,624	1,971					_
Aug Dank	375.9	+1.4	376.5	374.0	6,357	731	LONDON SPO	1 N	//AR	KEI	5
Det	347.7	+0.7	348.4	348.5	2,258	340	CRUDE OIL FOR IDO	harre	Lann		+37-
)ac	343.0		342.5	341.6	240	100		~==			
	339.1	-D.7	338.8	338.0	595	20	Dubal	516	18-6.2	45 .	-0 13
					22 504		Drest Direct Interest		00 00		0.056

#### LONDON SPOT MARKETS

MEAT AND LIVESTOCK

III LIVE MOGS CATE (40,000lbs; constabl)

PORK BELLIES CME (40,000ths; conta/bas

42.825 +1.125 42.975 40 900 1,156 42.350 +0.750 42.450 40.700 3,754 43.200 +0.825 43.400 41.550 3,024 43.550 +0.525 43.550 42.725 1,332 40.700 -0.080 40.850 40.200 371 51.150 -0.050 51.150 50.800 53

3,250

III LIVE CATTLE CME (40,000lbs; cents/fbs

Selt Day's Consumption Change High Low Int Vel 75.500 +0.825 75.550 74.900 11,032 3,136

74.725 -40.250 74.825 74.825 43.834 10.653 67.750 +0.075 67.950 67.550 62.74 20.745 43.834 10.653 67.750 +0.075 67.950 64.800 62.00 62.00 715 68.450 -0.025 68.625 68.250 12.75 12.75 66.450 -0.150 66.650 66.375 921 221

39.225 -0.250 39.700 38 025 2.360 880 38.400 -0.650 39.175 38.175 14.199 2.565 44.050 -0.500 44.750 43.875 6.887 750 43.25 -0.455 4.2750 43.155 1.907 383 40.500 -0.300 40.900 40.500 2.434 10.50 41.425 -0.350 41.800 41.400 2.218 62 30.918 4.788

3,32	41.4	3103	31-0	0,307	731	LOITDON OF C	1 115 4 4 4	
347.7 343.0	+0.7	348.4	348.5 341.6			CRUDE OIL FOR (por	barrel:Apri	+37-
339.1 AR '11'		338-8 112,000	338.0 Nos; ce	595 23,596 nts/fbs)	5,578	Dubel Brent Blend (dated) Brent Blend (Apr) W.T.I. (1pm est)	\$16.18-6.24: \$16.82-6.88 \$16.62-6.65 \$19.20-8.22:	-0 13 -0.055 -0.085 +0 11
14.25	+0.18	14.35		45,817 51,895		OR PRODUCTS NIVE	prompt delivery C	AF (tenne)
19.35 12.83 12.44 12.36 TON NY	+0.12 +0.02 +0.01 +0.01	13.38 12.89 12.47 12.33	13.28 12.81 12.38 12.37	33,675 33,631 8,413 2,407 179,298	1,813 2,511 532 100	Promium Gasoline Ges Oil Heavy Fuel Oil Nophtha Jet fuel Dresel	\$171-173 \$149-150 \$103-104 \$168-169 \$166-168 \$151-152	+5.0 +0.5 -0.5 -1.0
90.10	+0.25	91,95 90,35		21,568 18,474		Principlem Argue, Tel Landor  OTHER	259 פצב נודמן ה	
79.10 74.20	-0.23 +0.15 +0.15	88.45 79.30 74.37	87,70 78,95 73,90	13,857 4,575 15,958	1,458 498 992	Gold (per troy oz) - Silver (per troy oz) -	\$376.60 476.50c	+0.70
75.35	+0.20	75.45	75.00	1,841	32	Platinum (per troy oz.) Pulladium (per troy oz.)	\$414,00 \$156.85	-0.25 -0.40

■ OTHER	p. 1, 0.00 0	
Gold (per troy 02) \$ Silver (per troy 02) \$ Platfram (per troy 02.) Pulledium (per troy 02.)	\$376.60 476.50c \$414,00 \$156.85	+0.7 -0.2 -0.4
Copper (US prod.) Lead (US prod.) Tin (Kusia Lumpur) Tin (New York)	138.00¢ 41,75¢ 13.78m 257.50¢	+2.0 -0.5 +0.0 +4.0
Cattle (five weight)† Sheep (five weight)† Pigs (invo weight)	122,02p 118,10p 96,09p	-0.3 -2.4 -2.2
Lon. day sugar (row) Lon. day sugar (wie) Tate & Lyle export	\$345.20 \$397,40 £336.00	+3.5 +1.5 +2.0

ANGE JUICE NYCE (15,0000xx; cente/los)	cobba fos biora	130.000
103.10 -0.50 100.40 902.00 11,853 28 107.20 -0.50 107.25 106.50 5,905 801 111.15 -0.05 111.15 109.00 1,472 40 114.50 -0.10 114.50 113.50 2,558 30 112.90 -1.60 113.00 113.00 2,011 3 114.20 -1.80 114.06 113.50 990 3 24,855 2,515	Lead (US prod.) The (Kusik Lumpur) The (Kusik Lumpur) The (New York) Cattle (New weight)† Sheep (New weight)† Sheep (I've weight)† Sheep (I've weight)† Lon. stay sugar (nee) Lon. day sugar (nee) Tate & Lyte seport	41,75c 13,78m 257,500 122,02p 118,10p 86,09p 9345,20 5397,40 E336,00
UMIE DATA In laterest and Yokume data shown for racks traded on COMEX, NYMEX, CBT, E, CME, CBCE and IPE Crude Oil are one in amount.	Berley (Eng. foed) Matze (US NoS Yellow) Whatt (US Dark North) Rubber (Mer) Rubber (Apr)	£110.0 £141.0 £165.0 120.5p 121.5p
	Rubber (KL RSS No1) Coconut. Oil (Philis	464,0m

+12.5 +5.0 +10.0 Copra (Phill)§ Soyabouns (US) Cotton Outlook'A' Index +0.85

101-19 328,054 347,114 191-02 3,587 39,153 100-26 898 7,026

1628 465

Est. vol. Open int.

Feb 3

-0.5 +1.0

102-22 102-09 101-08

III US TREASURY BOND FUTURES (CRT) \$100,000 \$2nds of 100%

-0-01 -0-01 -0-05

Ludest

#### WORLD BOND PRICES

			Red		Dey's		Wook	Month
		Combou	Dete	Price	change	Yield	ego -	980
Australia		9.000	09/04	92,9800	-	10.1e	10.24	10.06
Austria		7.500	01/05	99.0000	-0.220	7.54	7,75	7,74
Belgium		7.750	10/04	95,7100	-0.170	8.25	8.28	8.45
Canada		8.000	12/04	99,5500	-0.900	9.07	9.02	9.08
Denmark		7.000	12/04	88.0500	-0.200	8.87	6.91	<b>8.13</b>
France	BTAN	8.000	05/98	101,0900	+0.050	7.50	7.80	7.27
	OAT	7.500	04/05	95,7000	-0.140	7.97	8.06	8.23
Germany B		7.375	01/05	96,7400	-0.310	7.41	7.41	7.64
reland		8.250	10/04	83,6000	-0.500	8.791	8.79	8.96
Italy		9.600	01/05	86.5700	+0.040	11.84	12.03	12.11
Japan	No 118	4,800	06/99	103,2910	-	3.93	4.04	3.84
Opposite .	No 164	4.100	12/08	96,5230	-0.120	4.96	4.86	4.58
Notherland		7.250	10/04	97.9500	-0.200	7.65	7.58	7.80
Portugel	•	8.875	01/04	84,8000	+1.500	11.65	11.65	11.80
Spain		18,000	02/05	90.9000	-0.080	11.51	11.80	11,75
Sweden		6.000	02/05	72,1800	+0.100	10.66	10.84	10.95
LK Gits		6.000	08/99	90-26	-8/32	8.52	8.54	5.85
CIV CHILD		8.500	12/05	99-00	-28/32	8.96	8.58	8.71
		8.000	10/08	103-10	-29/32	8.58	8.56	8.57
US Treasury		7.875	11/04	101-22	-16/32	7.02	7,51	7.79
08 11 <b>0000</b>	,	7.500	11/24	97-10	-19/32	7.78	7.54	7.84
ECU (Frenc	h Gouth	8.000	04/04	85,0200	-0.190	8.40	8.47	8.64
Landon closi							ocal mari	

#### Prices: US, UK in 32nds, others in decimal **ECONOMIC DIARY - FORWARD EVENTS**

TODAY: National savings results (January). Chicago MONDAY: Producer price index numbers (January). Capital issues and redemptions (December). European Parliament in plenary session in Brussels (until February 17). Resumption of talks in Beijing between China and the US on intellectual property rights. G-10 central bank governors' meeting in Basle.

TUESDAY: CBI survey of distributive trades (January). Acquisitions and mergers (fourth quarter). New construction orders (December). US retail sales (January). Japan wholesale price index (Janu-ary). IG Metall pay talks state

WEDNESDAY: Retail sales (January). Labour market statistics: unemployment and unfilled vacancies (January provisional); average earnings indices (December provisional); employment, hours, productivity and unit wage costs; industrial disputes; and long-term unemployment (quarterly analysis of unemployment by age (until February 18). Climate and duration (January). US change conference in Manila.

consumer price index (January); industrial production and capacity utilisation (January); business inventories (Decemben'; real earnings (January).
French current account
(November).
THURSDAY: Motor vehicle

THURSDAY: Motor vehicle production (January). Machine tools (Decamber). Public sector borrowing requirement (January). US housing starts & building pennits (January). EU and African, Caribbean and Pacific (ACP) countries hold second round of talks in Brussels to try and conclude new five-year aid nackage and comfive-year aid package and complete mid-term revision of Lome IV co-operation accord. Threatened strike by Scandina-vian Airlines System (SAS) ground staff. Bundesbank council meets.

(January). Retail prices index FRIDAY: Financial statistics (February). US trade gap (December). Mr Viktor Chemomydin, Russian prime minister, visits Poland to sign several major economic agreements including one covering the Polish section of the ering the Polish section of the Yamal gas pipeline from Siberia to western Europe (until February 18). Climate

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Prince rate S Tw Burker teen rate S S St Ped hands SS St	SOTO THE YEST
Pad Sanda at Intervention On	5.76 Two year   1   1   1   1   1   1   1   1   1
BOND FUTURES AN	OPTIONS

E equiv. 242-245

Est. vol. Open int. 112.18 111.30 118.58 -0.24 -0.24 -0.24 112.18 111.36 110.78 143,282 4,435 102 143,596 9,024 1,557 112.30 111.52 112.56 111.62 PUTS Strike Price 111 112 113 114 115 1.30 0.58 0.10 0.04 0.02

III NOTIONAL GERMAN BUND FUTURES (LETE)\* DN250,000 100ths of 100% Open 90.85 90.33 Sett price Change High LOW Est. vol Open Int. 90.00 -0.30 -0.34 150753 221254 2859 15048 BUND FUTURES OPTIONS (LIFFE) CM250,000 points of 100% GALLS - May 0.85 0.47 0.84 Strike Price 9050 9100 9150 PUTS ----F May 1.15 1.47 7 1.84 0.25 0.53 0.29

NOTIONAL ITALIAN GOVE, BOND (STP) FUTURES (LIFFE) List 20011 1009s of 100% Open Sett price Change 100.58 100.54 -0.10 Est. voi Open int. 29869 54905 800 1640 LOW -0.10 -0.10 100.96 100,30 99,46 99.55 III ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFR) Lin200m 1000's of 100% Strike Price 10050 PUTS 0.45 0.20 0.09 1.29 1.07 0.85 2.24 2.52 0.41 10100 10150 0.86 281 ous day's open irt., Calle 32075 Puts 29-81

MOTIONAL SPANSH SOND FUTURES (METT) Open Sett price Change High Est vol. Open int. Low 85.37 48,658 70 47,374 871 -0.04 85,79

Low Est voi Open Int. 101-19 75320 99297 101-28 110 2535

75320 110

101-1P

٦

M NOTIONAL UK GILT FUTURES (LIFFET 250,000 32nds of 100% Open Sett price Change High 102-15 101-24 -0-24 102-10 101-30 101-30 -0-23 101-30

II LONG CELT FUTURES OPTIONS (LIFTE) PSD.000 54ths of 100% Strice Price 101 102 . 103 7.27 7.43 7.51 7.51 7.85 Ecu Low Open Sett price Change High -0.10 -0.10 1,979

8.46 8.37 8.34 8.40

Up to 5 years 23 5-15 years 22 Over 15 years Irredecembles 8 All stocks 60

UK GILTS PRICES

Est vol. Open int. 7,093 1,300 FT-ACTUARIES FIXED INTEREST INDICES

101-26 191-10 100-28 ■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100% Open 106.59 107.97

**INDICES** 

CRB Fut

■ REUTERS (Base: 18/9/31=100)

Feb 9 month ago 2231.4 2263.5

es (Base: 1967=100)

Day's change % Feb 1D Fob 9 Yr ago High Feb 10 Feb 9 Yr ago High Low Feb 10 Feb 9 Yr mgo Low LOW 5.95 8.95 (20/9\*) 8.77 8.88 (20/9\*) 8.84 8.51 (20/9\*) 8.90 6.85 (20/9\*) 5.57 (19/1) 6.30 (20/1) 6.41 (20/1) 6.52 (24/1) 8.57 8.59 8.59 6.20 9.01 (20/97) 6.84 8.05 (20/97) 6.85 9.05 (20/97) 0.73 8.82 9.72 8.64 8.69 8.60 2.96 4.17 (10/1) 2.13 (4/17) 3.08 3.99 (21/87) 2.88 (20/17) 2.58 3.71

mption yields are shown above. Coupon Bands: Low: 0%-7%%; Medium: 8%-10%%; High: 11% and over. † Fist yield, ytd Year the Indices 31/12/75 × 700.00 and Index-Linked 30/4/82 × 100.00, \* 1994 highs and lows. GILT EDGED ACTIVITY INDICES FT FIXED INTEREST INDICES Feb 10 Feb 9 Feb 0 Feb 7 Feb 9 Yr ago High" Low" Feb 9 Feb 9 Feb 7 Feb 8 Govt. Secs. (LRC) 91.23 91.77 91.80 92.12 81.37 103.92 107.04 88.54 Fixed Interest 110.45 110.47 110.45 108.74 108.57 128.30 233.87 108.50 for 10847. Government Securities high since compliations 127.40 (8/1/35, low 48.18 (5/1/75), Food into 28 and Florid Interest 1833. SE actively indices exhibited 1574.

Hotes int Red Price 2 + or - High Low 0.04 8.00 1051, 7.06 8.59 87H 8.55 8.56 691, 9.07 8.57 1071, 8.25 8.59 83H 82 8.20 8.54 93H 1071, 8.26 8.50 99H 10.55 8.94 1071, 8.27 8.50 99H 10.55 8.94 1071, 8.27 8.57 1091, 8.38 8.58 852 Constrains 8\*2pc 2004 —
Thum 6\*4pc 2004 ‡
8 \*2pc 2005 —
Cours 1\*2 pc 2005 —
Team 12\*2pc 2009 5
7\*4pc 2009 6
†
Truss 11\*4pc 2007 4
13\*2pc 2004 8
Truss 6\*2pc 2004 8
Truss 6\*2pc 2004 8
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- 1634 974 - 1678 1016 - 1175 1044 - 1176 1050 - 1176 1050 - 1176 1050 - 1176 1050 - 1176 1054 - 1176 1054 - 1176 1054 - 1176 1054 - 1176 1055 - 1176 1176 - 1176 1176 - 1176 1176 - 1176 1176 - 1176 1176 - 1176 1176 - 1176 1176 - 1176 1176 - 1176 1056 - 1176 -남 98년 77년 -1년 126년 101년 -남 127독 100년 -남 127독 100독 -년 137월 92 -남 98월 94년 -년 128년 98년 -1년 128년 98년 -1년 128년 128년 8.44 81 8.53 104 8.52 104,5 8.29 74<sup>1</sup>/<sub>2</sub> 81 8.47 95<sup>7</sup>/<sub>2</sub> 8.41 05<sup>7</sup>/<sub>3</sub> 8.44 103ml 8.66 1504 7,72 8,63 7,38 8,38 Other Fixed Interest \_\_Yeld \_ \_\_\_\_1994/95 \_\_ Note: bit Red Price E + or \_\_\_ High Low

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### Perspective on a panic

Pity Mexico, so far from God and short-term, fixed-income, dollar so near to the US. But we now know that its propinquity to its mighty neighbour is not without advantages. No other emerging market can hope to be rewarded for its follies with a rescue package of \$50bn, including \$17bn from the International Monetary Fund almost a fifth of the latter's liquid resources and seven times

Mexico's quota. Naturally, investors would like to believe that the strong arms of the US Treasury, the Federal Reserve, the IMF and the Bank for International Settlements stand behind all their emerging market investments in this way. It would be foolish for them to do so. They should take a long and careful look at the fundamentals, instead. If they do so, they should feel a little better. Such a long hard look has

already been taken, for it is striking how the performance of emerging markets has diverged since December 20, the date of Mexico's botched devaluation. The Baring Securities emerging markets index fell 17 per cent in dollar terms between December 19, 1994 and February 9, 1995. Over the sams period the Mexico index declined 43 per cent.

The big contrast in recent months is, as one might expect, between Asian and Latin American markets. Between December 19, 1994 and February 9, 1995, the Baring Securities index for Asia declined by 2 per cent. During the same period the Latin American index fell 29 per cent.

All losses are painful. But they are a natural part of investment, particularly in frothy, fil-regulated markets such as these. People who cannot bear to see the prices of investments decline should put their money on deposit and watch themselves become relatively poor. It is also important to put recent losses in the more encouraging, longer-term perspective. Since January 1991, the IFC emerging markets index is still up 69 per cent. That for Asia is up 57.4 per cent, while for Latin America it is up 232 per cent. Even Mexico's index is up 64 per

Systemic crisis This performance makes it more

difficult to understand why Mexico's difficulties allegedly threatened a global systemic financial crisis. Yet it is this fear that Mr Michel Camdessus, the IMF's director-general, and Mr Alan Greenspan, chairman of the Federal Reserve, use as an argument for the extraordinary package put together to help Mexico. Perhaps a systemic crisis should that is happening to Mexico, or be defined as one that worries elsewhere. A diversified portfolio Washington.

securities - the tesobonos. But Mexico was uniquely vulnerable to such a liquidity crisis: it had an exceptionally large current account deficit of 7% per cent of GDP in 1994; and 65 per cent of all its borrowings were short

The reason the current account deficit matters is that the contraction in external borrowing may have damaging consequences for domestic financial stability and economic growth. Mexico's cur-rent account deficit in 1994 was not just two-thirds of the total current account deficit of Latin America, but almost 60 per cent of the combined current account deficits of all the major emerging markets of the Asia-Pacific region plus those of Latin America.

Resource flow

Also important is the role of short-term borrowing, which is where liquidity problems are most likely to arise. In most developing countries, this has played a rela-tively minor role. Between 1993 and 1994, the outstanding stock of short-term debt owed by all devel-oping couniries rose only \$17bn. Meanwhile, the total net long-term resource flow to developing countries is estimated by the World Bank to have been \$227bn in 1994, 34 per cent of it in direct investment, 17 per cent of it in portfolio equity, and 35 per cent of it in long-term debt. Even after allowing for interest and dividends the net transfer was \$137bn, far larger than the net increase in

The big returns that were enjoyed in investment in emerg-ing markets in the early 1990s will hardly be the norm. Some of the conditions for those returns were exceptional - particularly the way low chort-term interest rates pushed US investors into mutual funds. For all that, Mexico, if not unique, is at least unusual in its low rate of savings, poor long-term economic performance, huge bor rowings from abroad and reliance on short-term finance, just as it is unusual in the willingness of powerful institutions to bail it out

under spurious pretexts.
Investors must never forget that
underlying the seductive story about investment in emerging markets has been the transformation of policies and the remark able economic successes of many developing countries, particularly in east Asia. Chile shows that suc-cess is possible in Latin America too, if a country sticks to superior policies over long periods. None of this is threatened by anything of emerging markets must remain The problem was, of course, not an attractive punt on the world in equities but in the market for economy of tomorrow.

he British prime minis-ter calls it "one of the most dangerous proposi-tions ever put before the British nation" and says it would lead to the break-up of the United Kingdom. The Labour party says it is essential in order to keep the UK intact.

The proposition is Labour's plan to legislate, in the first parliamentary session after coming to office, to set up a Scottish parliament to handle Scotland's internal affairs.

The devolution of power from Westminster to Edinburgh is certain to be a focus of intense controversy at the next general election. It raises important political issues for the whole of Britain and pressing economic questions for Scotland.

Not surprisingly, the heads of Scotland's main companies and financial institutions are anxiously studying Labour's plans. They fear a change in Scotland's constitutional position could have far-reaching consequences for husiness -

especially if it means higher taxes.
Unlike many other European regions Scotland does not have its own assembly: this is because in 1707 the parliaments of England and Scotland agreed to merge under the Act of Union. Scotland kept its edu-cation and legal systems and its Presbyterian church as the established church. It now has administrative devolution through the Scot-tish Office, which reports to the secretary of state for Scotland. A struggle for home rule has been

going on in Scotland for most of this century. It came close to suc-cess under the Liberals on the eve of the first world war. In 1978 Labour passed an act setting up a Scottish assembly, but it failed to win the required level of support in a referendum, which was higher than a simple majority.

The present movement for a Scot-

tish parliament got under way in the late 1960s, fuelled by the Conser-vative government's imposition on Scotland of Thatcherite policies most local voters rejected. Labour, the largest Scottish party, was worried about the threat to its vote posed by the Scottish National party, which wants outright inde-

An opinion poll in the Glasgow Herald this week differed little from its predecessors over the past decade in showing that about 50 per cent of Scots asked wanted devolution, 30 per cent independence and 20 per cent the status quo, though only 15 per cent put constitutional change at the top of their priorities. The scheme that Labour would

implement involves a Scottish par-liament that would have responsibility for all matters currently dealt with by the Scottish Office - such as education, health, local government, economic development and agriculture. Macro-economic policy, foreign affairs and social security would be left to Westminster. There would be a Scottish execu-

tive whose leader would probably be styled premier. According to the proposals of the Scottish constitutional convention (a grouping domi-nated by Labour and the Liberal Democrats but boycotted by the Conservatives and the SNP), the parliament would have 112 mem-Supporters of a Scottish partia-

ment say its creation would make the government of Scotland more democratic. It would also "give Scotland the vitality that other lacks", says Mr George Robertson, Labour's shadow Scottish secretary.

But it would have profound consequences outside Scotland.

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Calls for a degree of autonomy for Scotland could have profound consequences for the UK, says James Buxton

# Coming apart at the seams

Labour's plan is that the new Scot tish parilament would be followed by a legislative assembly for Wales, and by assemblies (but without legislative powers) for those regions of England that wanted them. Scotland would continue to send 72 MPs to Westminster (49 of whom are currently Labour).

Mr Tam Dalyell, the Labour MP, has infuriated his party by asking:
How do you have a subordinate parliament in part of a unitary state?" He asks whether English voters would tolerate a situation whereby Scottish MPs could vote on English domestic issues but English MPs had no say on Scottish ones (the so-called West Lothian ques-tion, named after the constituency Mr Dalyell represented when he

first posed it).

Mr Robertson replies that the set-ting up of a Scottish parliament will be part of a rolling process of decentralisation. The question of regional representation at Westminster would not be dealt with until the process was complete; in the mean-time anomalies would be inevitable. But a future Conservative govern-ment could tackle the West Lothian

question either by reducing the number of Scottish MPs at West-minster (the size of Scotland'e popuation merits 57) or restricting the subjects on which they could vote. Inevitably, therefore, the establishment of a Scottish parliament would not be a stable settlement. And further instability could be generated by the new financial relationship between Westminster and the Edinburgh perliament. The Scottish parliament's room

for manoeuvre would be tightly constrained. Labour intends that it would be assigned all income tax and Value Added Tax raised in Scotland. However, these revenues, plus local government taxes, met only 86 per cent of the Scottish Office budget in 1990/91 (the last time the question was examined in detail). Under Labour's plan, the Scottish parliament's funds would be topped up with an equalisation grant from Westminster. The Scottish parliament would

also have the power to "vary" income tax in Scotland by 3p in the pound. But it still would be largely lependent on Westminster to maintain public expenditure at its current level. Scotland would therefore be unlikely to break free of Whitehall control, since the Treasury would still want to assess Scotland'e needs to calculate the equalisation grant.

Mr Robertson says the Scottish parliament's powers to vary income tax would be used only "sparingly". But it seems unlikely that the Trea-European regions which have kind's hudget if the country tried to assemblies enjoy but Scotland give itself an advantage over the rest of the UK by reducing Scottish



increase tax rates. That might be attractive to Scottish politicians keep to expand health services and education. However, if the Scottish parliament had levied the extra ap in the pound in 1990/91, it would have yielded only an extra £430m, equivalent to 4.2 per cent of

About 50 per cent of Scots want devolution and 30 per cent want independence

the Scottish economy. Sir Bruce

impress on Labour that it do nothing to put Scottish companies and institutions at a competitive disadvantage in the UK. Scotland is far from being the depressed region of the UK that it is

often perceived to be, particularly by Scots themselves. In 1993 it had gross domestic product per head higher than any region except East Anglia and the south east of England (without taking account of North Sea oil revenues which are not allocated to any region). It used to be said that when the

British economy suffered a cold Scotland caught 'flu, and that was certainly the case in the recession changes could be considerable for GDP continued to grow by about 1 per cent a year while the UK as a Furthermore, in 1991 Scottish Patrick Hodge. Published by the

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UK average for the first time since the 1920s and is currently just beneath it, though still at the high level of 8.5 per cent. Scotland came through the reces-sion with much less pain than southern England partly because the preceding boom was less the preceding boom was less intense in the north, and its consumers and home owners took on much less debt. But it was also because of structural changes in the

Scottish economy.

Scottish economy.

Most heavy industry disappeared in the 1980s leaving Scotland with an economic base very similar to that of the UK as a whole, but with a slightly bigger public sector, reflecting higher spending on health and education. Financial and becomes corpiess may account for business services now account for almost as much of Scotland's GDP as manufacturing.

Heavy industry has been replaced by a strong electronics and com-puter industry based largely on inward investment from the US and Japan. Thanks mainly to exports from companies like Compaq and IBM, manufacturing output in Scotland in the year to September 1894 rose faster than that of the UK as whole. But Scotland is weak in generating new indigenous businesses. Leading companies have warned Labour that a higher Scottish income tax would harm business and discourage inward investment, though they have been reassured by Mr Robertson that Labour has no plans for a separate Scottish corporation tax or a different regulatory regime for financial services.

ndrew Bain, professor of economics at Glasgow university, wrote recently that, provide wrote tax rates were only varied within narrow limits, a devolved structure for Scotland "need not necessarily have any significant Scottish financial sector".

But he also warned that it was important that devolution was not seen as a step on the road to full independence and did not arouse the resentment of the English. He thus touched on the so-called "slippery slope argument: that a devolved Scottish parliament would lead to disillustonment in Scotland and serious disagreements with London, which would be exploited by the Scottish National party to achieve full independence. Indeed Mr Alex Salmond, SNP leader, says this would be his strategy. Conversely, supporters of the sta-

tus quo worry that a Scottish parliament could reduce Scotland's signif-icance in the UK. As Sir Gerald Elliot, former chairman of Christian Salvesen, the distribution group, argues: "The main ingredient of our success is perhaps that we exploit to the full our privileged position as a small but obstreperous minority within the UK framework." That trick might be harder to sus-

tain if there were fewer Scottish MPs at Westminster and no Scottish secretary in the UK cabinet to press Scotland's case for special treat-ment (his role would be difficult to justify if there were also a Scottish premier). A senior figure in Scottish finance has warned: "Eventually the English would say: 'Don't worry me, now you've got your ball, go and play on the back pitch'." Prof Bain says there would be no

fears of instability or English resentment if Scotland were Yet the consequences of such tax the 1990-1992 recession Scotland's more, no less - than other regions". But that is not what Labour is offer-

\* Scotland and the Union, edited by

### MAN IN THE NEWS: Sandy Wilson

### A homemaker bails out

o many, the idea of spend-ing almost £400,000 buildwould not perhaps be in the same league as the garish palaces of pop stars, but a pricey property just the same. So the fact that the Royal Air Force could spend almost £400,000 simply renovating an existing house to suit a senior officer has, understandably, raised a few eyebrows.

"The really surprising thing to me is not that the RAF could spend that much money on refurbishing a house, but that it could set a budget of £250,000 to do the job in the first place, says one Ministry of Defence official. "The issue only became a scandal because the budget was overspent by £130,000. With cuts in the defence budget hitting every area, this extravagance speaks volumes about the cosy attitude which exists at the top of the services."

The tale of how Air Chief Marshal

Sir Sandy Wilson came to spend so much money decorating his official house, Haymes Garth in Gloucestershire, is full of juicy titbits. Walls were moved to make the building more commodious, £60,000 was spent on fixtures and fittings, including a mindhoggling £30,000 on curtains and pelmets alone. An interior designer flew twice to Germany to discuss the project with Sir Sandy at his previous headquarters. For all that effort the nicest word that even the most creative estate

agent can summon up to describe

the house is "imposing": Haymes

Garth remains an ugly building. Now, following the welter of criti-

house - and a report by accoum-

£300,000. Sir Sandy, having been told by Mr Malcolm Rifkind, the ing a house would be a defence secretary, that he no longer wild extravegance. It has ministerial confidence, is to retire early at 53.

Sir Sandy's fate seems a slightly odd end to the affair. If he was guilty of misjudgments, why was he not obliged to resign? If he was not, why is he being forced to go? The clash between a senior officer who two days ago seemed determined to hang on to his job, and ministers who felt they had to hold someone responsible, but are also sensitive to accusations that they are looking for a scapegoat, has ended in an

awkward compromise.

Perhaps the fact which doomed.

Sir Sandy was that it had happened before. Some £39,000 was spent on his previous house at Rheindahlen in Germany shortly before it was sold to a private buyer. In the circomstances, early retirement looks like the line of least resistance.

Sir Sandy's career was like that of many on the fast track in the RAF. A pilot, as all very senior RAF officers tend to be, he graduated through the Cranwell training programme and worked as a flying instructor, before becoming a com-bat pilot flying Hawker Hunters. His promotion accelerated when he commanded the first RAF garrison at Port Stanley in the Falkland Islands following the end of the war

with Argentina in 1982. He moved to become head of RAF strike command and in 1990 took charge of British forces in Saudi Arabia in the run-up to the Gulf war. However, as the operation moved more from air defence to cism surrounding Sir Sandy and his large numbers of ground forces, Sir Sandy was replaced by a more tants KPMG Peat Marwick which itself cost £100,000 - Haymes Garth is to be sold. Some estate agents reckon it may fetch as little as started. Sir Sandy was replaced by a more started senior officer, General Sir Peter de la Billiere, just before the war started. Sir Sandy was then trans-



chief of RAF Germany, where he oversaw the first stages of the run-down of the RAF there, and then to his last job as head of the recently combined personnel and training command, the second most senior post in the RAF.

He is not, according to several

RAF officers who encountered him over the years, a particularly easy man to work for. Ambitious and determined, his ascent of the greasy pole seems to have left a residue of bitterness and bruises among col-leagues. Some, however, have sympathy with Sir Sandy as a victim of circumstances that could have affected a number of senior officers; Sir Sandy happened to be standing in the wrong place at the wrong time doing the wrong thing.

Those fond of conspiracy theories do see method behind the crackdown. In the kerfuffle over executive pay, lavish perks handed out to public servants are clearly a sensi-tive issue - particularly since a

review of forces pay due in the spring may result in higher performance-related pay for senior officers. And the perks are widely spread. The MoD owns 78 luxury properties used by officers. They are valued between £300,000 and 2500,000 and with their large staffs

cost almost £10m a year to run. Some also see a hidden agenda to attack the RAF itself. While Sir Peter Harding of the RAF was chief of the defence staff, the air force was protected from some of the worst of the cuts in the Options for Change review which came at the end of the cold war. After revela-tions about Sir Peter's affair with Lady Buck last spring and his subsequent resignation, those who think the RAF is due for a shake-up have seized their chanca.

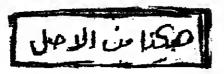
The RAF's opponents argue that such incidents are evidence of a management problem in the air force. Unlike the other two forces, where field command means that it is difficult to hide personal manage-ment deficiencies for long, it is possible to rise within the RAF without being put seriously to the test. The air force's centralised structure means that it can be run by a small coterie of decision takers. Promo-tion is also decided by a small group and the RAF frowns more heavily on dissent than even the other services. As a result no one who speaks out of turn gets pro-moted beyond the level of Group Cantain, the equivalent of a colonel. The consequence, say the critics, is a small band of yes men at the top of the RAF who are very defensive

and poor managers. It would be easy to disudss such criticism were it not confirmed by current and retired RAF officers. Of course, they say, there are exceptions, but in general the standard of the RAF e top leadership falls below that of the other services. The attitude which led Sir Sandy to spend, spend, spend while all about him were losing their budgets suggest the critics may be right.

Bernard Gray



Don't go away without RA



n a clear day, you can see the out-skirts of Damascus from Avital peak on the Golan Heights. You would be sharing the view with eagles soaring overhead and one of the Israeli army's most sophisticated cavesdropping and look-out complexes, there to detect any sign of attack by

Syria.
The dispute over this fertile volcanic plateau, crisscrossed with anti-tank ditches and the debris of battles past, is emerg-ing as another threat to Middle East peace hopes; at present it is as intractable as the confrontation between Israelis and Palestinians over control of the

Israel conquered the Golan in the 1967 six-day war and retained it against a Syrian onslaught in the 1973 Yom Kippur war. "We are psychotic over the Golan as long as there is even an inkling of a military threat," says one Israeli officer in Avital. "You could say that we keep this as a fully-loaded

Syria, which wants to recover the Golan as a matter of national pride, is prepared to accept a full peace with Israel, including diplomatic relations and open borders, in exchange for a total Israeli withdrawal from the heights. Mr Farouq al-Sharaa, Syrian foreign minister, said publicly in Washington last October that President Hafez al-Assad had made "a strategic choice for peace".

Israel and Syria have had 14 full meetings and several informal contacts since a Middle East conference in 1991, but senior Arab and Israeli officials The rough road to Damascus

Faster progress in Israeli-Syrian talks is seen as vital for Middle East peace, says David Gardner

say little progress has been made towards an agreement between the two countries.
"Neither side has stated exactly what it wants," says

Mr Osama el-Baz, political adviser to President Hosni Mubarak of Egypt, which is playing a pivotal mediating role following its peace with Israel in 1979. The impasse is dangerous, and not just because leaving

out an important Arab country such as Syria would cast a shadow over any "comprehensive" peace deal for the region. Damascus hosts the rejectionist factions of tha Palestine Liberation Organisation, as well as Moslem fundamentalist groups from the Israeli-occupied territories; these include Islamic Jihad, which carried out the suicide bombing north of Tel Aviv last month that froze the already faltering Israel-PLO peace process.

Moreover, through Syria'a de facto control of Lebanon,

Damascus is encouraging reinvigorated attacks by Hizbollah, the Iranian-backed Islamic fundamentalist militia, on tha area of south Lebanon controlled by Israeli troops as a buffer zone, just across the narrow Hulah valley from the Golan. For the first time, secular PLO radicals such as the Damascus-based PFLP-General Command are fighting along-



side the Islamic radicals in the "security zone".

The Iranians are trying to draw Israel into a major land operation which will further discredit the peace process," says a senior Israeli intelligence official. Syria, he says, "wants a war of attrition before we sit down to do business, and this we are not going to allow". A senior field com-mander at Avital adds: "Assad cannot continue to sponsor Hizbollah in Lehanon and get back the Golan."

Thus, although tha Golan itself has been quiet since the 1974 US-negotiated ceasefire, Israeli retention of the beights provides the motive for Syria to sponsor fighting on Israel's northern borders and attacks by Islamic radicals insida Israel aimed at scuppering the whole peace proces

Apart from its claim to the Golan, the Syrian government resents Israeli success in bolstering its negotiating position by dealing with its Arab opponents one by one. Syria was part of the original Madrid talks which signallad the beginning of the Israeli-PLO rapprochement, and it initially ensured that negotiations proceeded at its own slow pace. Damascus was therefore shocked when Jordan reached a separate peace with Israel, which Israeli officials consider a triumph in bringing pressure on the PLO and Syria.

But the Israeli government is far from unsnimous on how to deal with Syria. Mr Shimon Peres, Israel's foreign minister and peace architect, is said to be sware of the danger of turn-ing Syria into "a strategic widow", while Mr Rahīn is reported by one of his sides as saying the Syrians "can spin in the wind like ithe energy-gen-erating] propellers" on the Golan if they will not do busi-ness on Israel's terms.

Some Israeli officials argue that it would be too much for Israel's security-obsessed population to give up most of the West Bank to the incipient Palestinian Authority, and to surrender the Golan as well. The



Heights are home to more than 20,000 Israeli settlers in 33 com-munities. In Israel, furthermore, where Mr Rabin has promised a referendum on any eventual deal, right-wing resistance to a handover of the Golan is increasing.

In theory, returning the Golan should ha easier than giving up the West Bank which Zionist zealots consider the hihlical heartland of Judaea and Samaria - because Israel has no ideological claim on the Heights. There is a



in the Golan, But Israel's future security needs are as likely to be met hy a US-mooted plan to upgrade anti-missile defences as hy control of a few hills.

The veteran Israeli commander at Avital, himself a Golan settler, would exchange the Golan for peace. "There's no question about it," he insists, "the strategic aim of Israel is peace. But it has to be step-hy-step, and you never turn your back."

Yet neither side appears capable of making the first move. "We don't understand each other's minds," says Mr Yehoyada Haim, head of political research at the Israeli foreign ministry.

Israeli officials believe that Mr Assad will want to settle coalition, rather than risk victory in elections due next year hy the right-wing Likud, and conceivably a Republican administration in Washington. Arab commentators are no: so sure. Mr Assad, they say, is a man accustomed to biding

"Assad is worried as to whether Rahin can deliver. given that he hasn't been able to deliver with [PLO leader Yassir] Arafat," on the Palestine autonomy package, says a senior Egyptian foreign minis-try official.

gainst this darkening prospect. Mr el Baz, whose government hosted last week's of Egypt, Israel, Jordan and the PLO in an attempt to give momentum to the peace pro-cess, is calling for the US to arbitrate in a Camp David style negotiation between Syria and lsrael, just as the Carter administration mediated the

Israel-Egypt peace. In an interview with the FT this week, Mr el-Baz warned that "if progress is stalled on either the Palestinian or Syr-ian [peace] track, that doesn't mean we stay where we are: we could have a very serious regression and be hack to square one.

"If Israel stalls," he argues "how can Syria then stop the rejectionist organisations among the Palestinians and Lebanese from going under-ground?" He believes there are enough ideas on both sides for the US to produce drafts of an agreement that would synthesise the Israeli and Syrian posi-

Washington alone, says Mr el-Baz, comands enough carrot and stick to induce an agree

ou decide to buy a Buick and are given a Volkswagen instead. This is how US Senator Wendell Ford has characterised the increasingly common airline practice of booking their own passengers on to flights operated by other companies.

The arrangement is known as code sharing since it allows one airline to put its company code on a flight flown by another carrier. The advantage to the first airline is that it can sell tickets to the flight without having to operate the aircraft - and offer passengers a more exten-sive service without investing in new

In a 1993 letter to Mr Federico Pena, US transportation secretary, Senator Ford said: "I, for one, am rapidly coming to the conclusion that code sharing may be the consumer rip-off of the decade. On its face, code sharing is inherently dishonest. It is a legal way of advertising one product, but then selling another. In virtually any other area of the economy, it would be fraud to engage in such a practice."

Despite such misgivings, the number of code-sharing agreements is rising fast. Between 1987 and February 1993, the US Department of Transportation approved 39 international code-share arrangements; a year later, the number had risen to 89. Earlier this month, Virgin Atlantic of the UK and Delta Air Lines of the US received US government approval for a code-sharing agreement. Other prominent code sharers are British Airways and USAir, and KLM of the Netherlands and Northwest Airlines of the US.

The agreement between BA and USAir. for example, allows the UK company to offer flights from Heathrow to a large US city on its own aircraft. Passengers can then transfer to a USAir flight and travel to another US destination that BA does

Apart from avoiding tha expense of setting up new routes, code sharing allows airlines to overcome regulatory hurdles, that prevent them flying to certain desti-

Delta, for example, currently flies to London's Gatwick Airport. It cannot get UK government permission to fly to Heathrow, which it would prefer. Its codesharing agreement with Virgin, however, means it can sell seats on the UK carrier's flights into Heathrow.

Expatriate

Airlines that have code-sharing arrangements insist they are good for customers too. The agreements usually involve luggage being checked through to the final destination even though the passenger has to change flights and airlines. Frequent flyer points are often transferable between code-sharing pariners.

Customers, however, are sometimes surprised to find that they are flying part of their trip on one airline and the rest on its code sharing partner. The US Department of Transportation says it has received complaints from passengers who

### Misguided code of conduct

Michael Skapinker explains how airlines share passengers with other carriers



objected to finding themselves on an airline they would not have chosen themselves. They also complain when the change means transferring from a jet aircraft to a turboprop.

One of the fiercest critics of code-shar-

ing is American Airlines. Although the company now accepts that code-sharing is here to stay, and has concluded agreements with several airlines, it still thinks the system is wrong. "It's anti-competitive and deceptive to passengers," the airline said. Other airlines that now champion the

system opposed it in the past. Both RA and KLM described code sharing as deceptive" in 1984, according to research by Mr Barry Humphreys, head of air services policy at the UK's Civil Aviation Apthority.

The UK Air Transport Users Council, a consumer organisation representing air travellers, was also an early critic of code sharing. But Mr Tony Hockley, the council's economic adviser, says it is now more relaxed about the subject. Airlines appear to be making a greater effort to tell passengers that they will have to make part of their journey on a different sirline, he

Says.

However, a spot check by the FT this

week indicated that, while airlines might be making more of an effort to tell cus-tomers they would have to change air-

ines, travel agents are not.

A London-based reservations employee of United Airlines of the US, asked about flights from New York's JFK airport to Glasgow, said without prompting that the final leg of the journey would be on a British Midland flight. Similarly, BA reservations said that a flight from Heathrow to Cleveland, Ohio, would involved switching to USAir in Philadelphia.

But inquiries to travel agents about the same flight were less ancouraging. One said it would involve changing aircraft but that she would have to telephone BA to find out what airline would fly the second part of the journey. A call to another elicited the incorrect information that BA went all the way to Cleveland.

The US transportation department found that in 200 test calls to airlines and

travel agents, inadequate information was given in 80 per cent of cases. The CAA last September telephoned 20 airlines offering code-sharing from the UK and found that 60 per cent did not say that another carrier would provide the second part of the journey.

In the US, airlines are required to provide customers with information about code sharing. The US government is now considering extending the rules to travel agents. The European Commission is studying what should be done in Europe.

Pour information to customers is only

one criticism made of code sharing. A second is that it is anti-competitive: if two airlines operate on a thinly-used route and they reach a code-sharing agreement one is likely to drop out.

When Delta reached a code-sharing agreement with Sahena, the Belgian carrier stopped flying from Brussels to Aflanta - a route both airlines had previously served. Delta stopped flying from Budapest to JFK after concluding a code sharing deal with Maley, the Hungarian carrier which served the route.

Mr Michael Medlicott, Delta's vice-presi dent for Europe, denies, however, that this indicates that code sharing is anti-

There were too many seats chasing too few customers on both these routes, he said. Having reduced capacity, the code sharing partners still competed fiercely with one another to sell seats on the flights they now shared.

Mr Humphreys' personal view is thet

code sharing might be more trouble to the airlines than it is worth. Airlines could agree to co-ordinate flights, check baggage to final destinations and have crosssubership of frequent flyer programmes without code sharing, which requires government approval.

He says: "Code sharing has often been criticised for misleading the travelling public. Perhaps in reality it is some of the atrlines that are misleading themselves."

### Media interest in soccer violence has revived, says Simon Kuper ootball hooliganism is back in the headlines. From Europe to South America, the sports Spotlight back on ruffians

pages of daily newspapers are full of reports of violent acts perpetrated by soccer fans.

The current spate of reports began two weeks ago with the stabbing to death of a fan in Genoa. Since then, incidents from Chile to France have received widespread coverage.
In the UK, media interest has been aroused by two incidents in particular, an attack on a referee carried out hy a Blackburn Rovers fan and an episode in London when Chelsea and Millwall fans invaded the field to fight each other and

attack players. On the face of it, appears to be returning to the situation prevailing in the 1970s and 1980s, which culminated in 1985 in the worst-ever episode of football hooliganism when 38 Italian fams died at the Heysel Stadium in Brussels after a charge hy Liverpool supporters. But is soccer violance really making a comehack?

It is certainly true that the number of incidents has declined since the 1980s when the UK was the main exporter of football violence and book. ganism became known as "the British disease".

Last year's World Cup in the US was vandal-free, although the Americans had worried for years and hired a former Central Intelligence Agency official to take charge of security. Instead, Dutch and Irish fans hugged and exchanged shirts in Orlando.

Even the UK has appeared to be getting on top of the probem. The improvement began after 95 Liverpool fans were crushed to death at a game in 1989. Measures were introduced to make grounds safer. Fences in UK grounds were pulled down. The Taylor Report, written in 1990, forced clubs in the top two divisions to introduce all-seater stadiums. Ticket prices rose as clubs rehuilt their grounds. Fifa, football's international governing body, made all-seater stadiums compulsory for World Cup qualifying matches. The end result of all this was

to make British stadiums

smarter and safer.

lower level of intensity, although it was forced outside the grounds themselves. Between 1990 and 1994, British transport police recorded 655 incidents of violence and misbehaviour involving fans. Few of these incidents made

But violence continued at a

the papers, however. This lack of coverage resulted in a helief that hooliganism bad heen stamped ont. As Professor Eric Dunning, a sociologist at Leicester Univer-

slty, says: "Hooliganism has never been away. But in contrast to the 1960s and 1970s, when you might say it was overreported, since 1990 it has been underreported."

The media's loss of interest in football violence came about largely because the UK govern-ment had itself begun to pay

ss attention to the problem. Mrs Margaret Thatcher, the former prime minister, hated football. She considered hooliganism a major social problem. Her government nonetheless developed laws to introduce identity cards for football fans. Then, in 1990, the Taylor Report appeared, arguing that fans queueing in thousands to slide cards through machines

III. Andrew Brain

A fan is escorted from a Turkish pltch: is violence rising again?

could turn nasty.

So the government dropped Part I of its Football Spectators Bill. With no further solutions to offer, it recommended that English clubs be readmitted to European competitions from which they were hanned in

In November 1990, Mr John Major, a Chelsea fan, became prime minister. With Mrs Thatcher gone, the British gov-ernment became more sympathetic to football.

Hooligans still existed, but politicians were no longer using football to get headlines. Newspapers hegan to forget the issue. With English clubs back in Europe, identity cards abandoned, and England reach-

the game. Television companies had another incentive to stop covering fights in grounds. After the late 1980s, competition for TV rights to English games spiralled. The Football Association and the Premier League monitor TV programmes, and dislike bad publicity.

ing the World Cup semi-final in 1990, everyone felt better about

he media silence may the violence, since booligans like aftention - many collect newspaper articles about their crimes. Some sociologists said hooliganism had gone out of fashion. But as Mr Bohby Charlton, the former England player, says: "Hooliganism is like terrorism - you can't prevent it

100 per cent." Now media interest has been rekindled. This is partly because the recent acts of violence happened in a spate, partly because TV cameras can hardly turn away from a pitch invasion, and partly hecause football in the UK has become

mainstream news. Mr Nick Hornby's memoir Fever Pitch, about life as a Cambridge-educated Arsenal fan, helped middle-class fans to "come out". It is now respectable to talk about football, and

fans in the media put it on the front pages. Unfortunately, British newspapers today have few opportunities to write about great victories or great players. Paul Gascoigne, England's most creative player, has broken his leg, and Ryan Giggs, the Man-

chester United winger, has lost form. This means the news is bad: hrihes, drugs, hackhanders. and Eric Cantona, the Manchester United player, kicking a fan. Now hooliganism has returned to the newspapers too, simply hecause newspapers are keen to write about football. We should expect

more bad news.

#### Summit should spur aid

From Mr Nigel Troose. Sir. Your article on the OECD's annual report on aid ("Poor nations suffer twin cash squeeze". February 9) highlighted the depressing outlook for aid to developing countries and provoked mention of two further points. First, the OECD's report is timely since, in less than a month, the world summit for social development will convene in Copenhagen to discuss a global anti-poverty strategy for the next century. This will call on donors to meet the UN aid target of 0.7

Only four out of the 21 leading donors have achieved this - the same four as five years ago. The fall in aid volume in 1993 - 6 per cent in real terms,

per cent of gross national prod-

move towards this target.

Second, Britain was one of the few countries to maintain aid as a proportion of GNP in 1993, and is now above the OECD average. Yet spending plans show that Britain is moving closer to the edge of the aid diving board. Over the next few years, British aid will finally plunge, probably to the lowest level of GNP ever

In the run-up to the most significant UN summit on global poverty ever, could not aid donors such as Britain make a striking gesture and finally announce a clear timeuct, which is 25 years old this table to move towards 0.7 per cent of aid?

Nigel Twose international director. Actionaid. Hamlyn Bouse, makes a mockery of the call to Archooy, London N19 5PG, UK

Policy for Europe - that's how

From Mr John Szemerey. Sir, Re Lord Howe's article, "A better European policy for Britain" (January 30):

Howe right. How humiliating. John Szemerey, 76, Marniziaan, B-3090 Operijse, Belgium

### LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine')
Translation may be available for letters written in the main international languages.

### Baffling rightwing sovereignty argument

From Charles Young.

Sir, I suspect many readers would be grateful if you would commission an article setting out the intellectual basis for the ideas of the rightwing critics of monetary union. It is easy to understand why

a left-of-centre nationalist

might oppose the idea, since

the left has traditionally been

more ready to consider that povernment has a role in monstary policy. However, it is baffling to monetary union more persuasive advocate of

Sir, Your report, "Names fall out over sharing of compensa-tion" (February 4/5), contains

statements from Lloyd's Action

Group leaders which imply

From Mr Tom Benyon.

eignty by those who, in other contexts, are critical of the notion that fiddling with the value of the currency is any part of a government's rights or duties. Many who previously favoured total governmental control of the currency were convinced by Lord Lawson's eloquence in layour of an independent central bank at the time of his resignation, and

the onset of the last bout of

inflation. (There can be no

ness" into whether Action

Groups gain access to their court awards on a "first-past-

the-post" basis, or whether (as

deemed by those protesting)

the other 44 cases should be

that Appeal Judges should heard first, the winnings introduce an element of fair then apportioned on a more

denounced as a threat to sover-

the need for burglar alarms than a successful larcenist.) Once government has been deprived of its ability to cause inflation, no further loss of sovereignty is implied by sharing a regulatory body with other countries.

Yet on Friday morning, Lord Tebbit could be heard on the radio proposing the view that the loss of government control over the currency was a threat to sovereignty – a view which has the surprising implication that national sovereignty only

I am confident judges will resist the temptation to do any such thing and confine them-

selves to interpreting the law

as it stands, not as they might

like it to be. If the law needs

changing, then it is for parlia-

equitable basis.

Gold Standard, and that the first world war was fought between countries all of which lacked national sovereignty.

One expects to switch on the radio soon and hear a rightwing Euro-sceptic complaining that the government's inability to vary the value of 11b from 0.454kg is an intolerable threat to national sovereignty. Charles Young, LMC Automotive Services. 14-16 George Street,

Buckingham MK18 2EF, UK

Courts should be about justice, not fairness, in Lloyd's awards ment to do it with full debate:

not by unelected, unaccountable judges, however eminent or well meaning. Tom Benyon. The Society of Names, PO Box 229, Adstock,

#### Hardly evidence of robust and self-confident new world order From Mr Ian Rutledge.

Sir. Your editorial. "Mexico's rescue" (Fehruary 8), is one of

the most thoughtful and fascinating for many years. Yet it fails to draw the correct conclusion. Since the collapse of the Soviet version of socialism. we have been continuously told that only a laisser-faire, market-oriented approach to economic development is feasihle indeed, it has become the wisdom of the day that the global capitalist market system is now so successful and powerful that no possible deviations from its parameters can be possible, a view seemingly now shared hy many in the current Lahour party leader-ship. Even the mildest suggestions of state intervention in the market are considered unwise and impracticable.

Then suddenly, a few thou-sand lightly-armed Indian peasants in Chiapas trigger off a wave of panic about the future of Mexico, at the time (and in spite of recent "wisdom after the event") unanimously

praised as a paragon of "emerging markets". Within a year or so we are, to use a phrase of Mr Michel Camdessus, director general of the international Monetary fund. on the verge of "a true world catastrophe". The panic spreads throughout the great and the good of the global financial establishment and, in spite of the sub voce objections of some governments, there is a hastily-organised whip-round of \$50hn to bail out the stricken US investors.

robust and self-confident new world order: hardly a vindication of Fukuyama's triumphal. ist "end of history". What it does indicate is contained in the last words of your editorial: a collapse in the "credibility of the markat-oriented approach to development", and a very definite "lack of confidence in the self-correcting capacity of financial markets". ian Rutledge.

This is hardly evidence of a

19 Fairfield Road, Chesterfield S40 4TR, 17k

WORLD INTEREST RATES

#### CURRENCIES AND MONEY

#### **MARKETS REPORT**

### **Dollar wobbles**

The dollar yesterday flattered to deceive, first rising and then falling, in response to the release of the January producer inflation report in the US, writes Philip Gawith.

The dollar took its lead from the US bond market, where prices fell when traders took fright at signs of price pressure at the intermediate goods level in the PPI report.

After initially jumping half a pfennig to DM1.5340, the dollar then lost a pfennig to finish in London at DM1.5241. Against the yen it was little changed at

Sterling had a steady day. finishing barely changed at DM2.3788 and half a cent firmer, at \$1.5608, from \$1.5557. There was little movement in Europe. The D-Mark finished at FFr3.482 against the French franc, from FFr3.463. The Bank of Finland raised

its tender rate to 5.75 per cent. from 5.5 per cent, due to rising inflationary pressures and

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CROSS RATES AND DERIVATIVES

**Mobile Communications** 

**EXCHANGE CROSS RATES** 

POUND SPOT FORWARD AGAINST THE POUND

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+0.0151 657 - 684 +0.0152 394 - 446 -0.094 792 - 136 +9.38 005 - 084 +0.1697 541 830 +0.1135 880 - 398

expectations.

■ Analysto were cautious about reading too much into the dollar's retreat, given that it came hard on the heels of a Treasury auction in the US.

Mr Ian Gunner, international economist at Chase Manhattan in London, commented: "After the auction the street (Wall st) has quite a lot of paper, so people don't want to get any longer, especially on a Friday."

Feb 10 --- Prev. close --1.5576 1.5825 1.5558 1.5558 1.5497

This reluctance to buy more bonds spilled over into the dol-lar. But Mr Gunner said he would not be surprised if it was to open up around DM1.53 again on Monday.

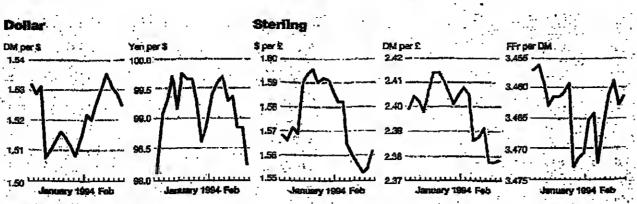
■ Traders said that there was quite heavy selling of sterling

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in the morning, following newspaper reports hinting that comments by Mr Kenneth Clark, the chancellor, on the issue of a single currency for Europe, had widened divisions within the Tory party.
The pound did, however,

gain ground in the afternoon, against the weaker dollar.

Mr Gunner attributed recent sterling weakness to investors "trimming" their long positions. "I don't think anybody is aggressively short of sterling."
The focus will now shift to

how sterling reacts to inflation

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4 1.995 2.8 1.7

data next week Recent avidence auggests sterling might respond positively to any news which holds out the prospect of an early

rise in interest rates.

Although sterling recovered some ground towards the end of the week, Mr Jonathan Griggs, economic adviser at Barclays in London, noted that the trade weighted index had, et one stage, fallen to 87.2, from 88.6 before the base rate was increased on February 2. On the 4:1 rule of thumb -

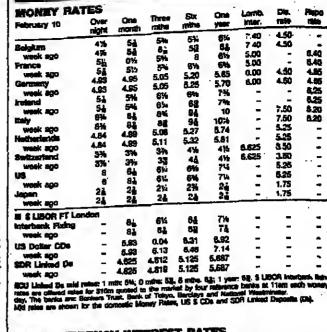
DOLLAR SPOT FORWARD AGAINST THE DOLLAR

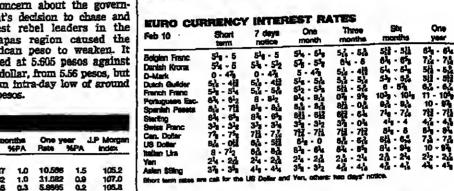
exchange rate is roughly equivalent to a 1 per cent move in interest rates - this meant that sterling weakness had nearly offset the Bank of England's decision to raise interest rates by 50 basis points.

■ Short starling futures lost ground, on fairly low volumes. The June contract closed at 92.27, from 92.34. Prices at the short end of the yield curve were dragged down by falling gilts, with the tone set by the poor performance of the US Treasury market. that a 4 per cent move in the

Money market rates remained fairly easy, with three month LIBOR at 6# per cent. In its daily money market operations the Bank of England cleared a £700m shortage at established rates.

Concern about the govern-ment's decision to chase and arrest rebel leaders in the Chiapas region caused the Mexican peso to weaken. It closed at 5.505 pesos against the dollar, from 5.56 pesos, but off an intra-day low of around





Peb 10		Closing mid-point	On day	Bid/offer spread	high	low/	One ma	#PA	Three m	%PA	One ye	%PA	J.P Morga index
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Seighurzi	(BFr)	31,9770	-0.073	680 - 860	31,5500	31,3550	31,3545	0.6	31,302	1.0	31.082	0.9	107.0
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intend	(FMC)	4.6871	-0.034	839 - 908	4,7253	4.6811	4,5844	0.7	4,5801	0.6	4.6896	0.4	89.4
rance	(FFr)	5.2763	-0.0165	755 - 770	5,3080	5.2680	5.2737	0.8	5.2697	0.6	5.2488	0.6	106.8
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Greece	(Di)	238,700	-0.425	600 - 800	238,620	238,100		-15.1	248.45	-13.0	258.85	-84	68.2
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uncontroung	(LFr)	31,3770	-0.078			31,3550	31,3545				31,082	0.9	107.0
ietheriencis	(F)	1.7982	-0.0057			1,7076	1.7087	1.0		1.2	1.6846	1.4	106.7
lonesty	(NKr)	8,8700		685 - 715		6.6532	6.8668	OB	8,6595	0.6	6.6175	0.8	87.1
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Sweden	(SKr)	7.4144		105 - 183		7,4040	7,4242				7.5334	-1.6	80.3
Switzerland	(SFr)	1.2871	-0.0002		1,2985		1.2845				1.2633	2.8	107.5
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lang Kang	() = CS)	7.7323	+0.001	310 - 328	7.7328	7.7310	7.7835	-0.2	7.7345	-0.1	7.7983	-0.1	-
xda	(Fig)	31,3738	+0.0025	700 - 775	31,3775	31.3700	31,4538	-3.1	\$1.6988	-41		•	
rael	(SIM)	3.0191	-0.0036	185 - 210	3.0254	3.0010			-	-	-	•	
acen	M	98,9250	+0.07	000 - 500	99,3500	98.8500	BB.635	3.5	97,835	4.0	84.4	4.5	150.0
totoyele	(M5)	2.5485	+0.0005	480 - 490	2,5502	2,5470	2.5465	0.9	2.542	1.0	2.526	0.9	
ew Zealand	0425	1,5785	-0.0007	758 - 775	1,5828	1,5758	1.5783	-21	1,5869	-28	1.8138	-23	-
hilipines	Pesci	24.8000		500 - 500		24,7300				-	-	_	-
audi Arabia	(58)	3.7503		501 - 505	3,7501	3.7505	3,7529	-0.8	3,7582	-0.8	3,7878	-0.5	7
ingapore	(54)	1.4525		520 - 630	1,4545		1,4475	41	1,4422		1,4187	2.3	- :
Africa (Cort.		3.5508	-02010	500 - 515	3,5525	3.5420	3.9858		3,5068	-52	3,7528	-5.7	
		3.9700	0.000	600 - 800	4.0150		3.9975	-8.3		-7.8	4.28	-7.5	
Africa (Fin.)	FO												-
outh Kores	(Wan)	794.790		700 - 800	794,800		797,75	-4.5	801.25	-8.5	319.75	-3.1	•
Pawis	(L2)	26.3126		100 - 150		26.2880	26.3325	-0.9	28.3725				•
no and	BU	25,0800	-0.01	500 - 700	25.0000	25,0700	25,0725	-0.6	25,0865	-0.4	25,1125	-0.2	

EMS EUROPEAN CURRENCY UNIT RATES

Change on day

_		mid-point	on day	spread	high	low	Rate	<del>16PA</del>	Pate	%PA	Rate	%PA	inde
тора			1		100								
estria.	(Sch)	10.7180	-0.049	140 - 180	10,7880	10.7140	10.7085	0.8	10.6887	1.0	10.588	1.5	105
ighter:	(BFr)	31,9770	-0.079	680 - 860	31.5500	31,3550	31,3545	9.0	\$1,302	1.0	31.082	0.9	107
nmerk	(DKA	6,0018	-0.0185	000 - 030	6.0355	5.0968	6.9997	Q.S.	5.0008	0.3	5.8665	0.2	105
niegradi	(FM)	4.6871	-0.034	833 - 908	4.7253	4,5811	4,5844	0.7	4.5801	0.6	4.6696	0.4	25
ance	(FFr)	5.2763	-0.0185	755 - 770	5.3080	5.2680	5.2737	0.8	5.2697	0.6	5.2488	0.6	106
ATTION TO	(DAG	1,5241	-0.005	237 - 245	1.5340	1,5217	1,5228	1.0	1,5196	1.2	1,5036	1.3	108
9900	(Di)	238,700	-0.425	600 - 800	238,620	238,100	241.7	-15.1	248.45	-13.0	258.85	-84	68
tend	062		-0.0005	493 - 508	1.5559	1.5453		-0.1	1.5499	0.1	1,5491	0.1	
N	(L)		-4	300 - 500		1612.30		-20	1823.B	-24	1656	-26	73
preparen	(LFr)			680 - 860		31,3550		0.6	31.302	1.0	31,082	0.9	107
theriends	(F)			077 - 087		1.7076	1,7087	1.0	1,7031	1,2	1.6845	1.4	106
CARSTA	(NK)			685 - 715		6.6532	6.6668	0.8	8,6595	0.6	6.6175	0.8	87
rtudel	Œat			100 - 200		157.080		-2.9	158,805		163,056		85
ein	(Ptal			200 - 258		131,200		-21	132.045		134.82	-2.7	79.
reden	(SKr)			105 - 183		7,4040	7,4242	-1.8	7.4454		7.5334	-1.6	80
ittendend	(SFr)			867 - 875	1,2985		1.2845	2.4	1,2798	2.3	1,2633	2.8	107
	(2)			604 - 612	1.5818		1,5801	0.5	1,559	0.5	1.5528	0.5	86
и	15.7	1.2378		373 - 382	1.2385		1,238	-0.2	1,2385	-0.2	1.2414	-03	00.
	_		ATT 1	9/3 - 965	1.2003	1-2-21	1,230	-4	12000	-02	12414	-443	
R†	_	1.48825	_	- 1			•	-				•	
peratina	(Pago)	1.0000		999 - 000	1.0000		-	-		-	-	-	
125	(CI)	0.8355		350 - 360	0.8380			•	-	-	•	•	
neda	CS	1,4021	+0.0033	015 - 023	1,4038		1.404		1.4083		1,4196	-1.3	81
ndco (New	Peso	5.6050	+0.04	800 - 300	5.6300	5.5400	5.6058	-0.2	5.6063	-0.1	5.6076	O.D	
A	(5)	-	•	•	-	-				-		-	96.
object Middle		Africa											
etre <b>ile</b>	(A\$)	1.3410		407 - 410		1,3407	1.3428		1.3474	-1.9	1.3722		87.
ng Kong	0-000	7.7323	+0.001	310 - 328	7.7328	7.7310	7.7935	-0.2	7.7345	-0.1	7.7383	-0.1	
la .	(Ple)	31,3738	+0.0025	700 - 775	31,3775	31.3700	31,4538	-8.1	\$1.6988	-41			
nel lea	(814)	3.0191	-0.0036	185 - 210	3.0254	3.0010				-	-	•	
pen	m	98,9250	+0.07	000 - 500	99,3500	98.8500	98,635	3.5	97,835	4.0	94.4	4.5	150.
forele	0.453	2.5485		480 - 490		2,5470	2.5485	0.9	2.542	1.0	2.526	0.9	
w Zealand	0425	1,5785		758 - 775		1,5758	1.5783	-21	1.5869	-28	1,8158	-23	
	Posci	24,8000		500 - 500		24,7300				_	.,		
ud Arabia	(39)	2.7503		501 - 505	3,7501		3,7529	-0.8	3.7582	-0.8	3,7878	-0.5	
020079	(51)	1.4525		520 - 630	1,4545		1,4475	41	1.4422	2.8	1,4187	2.3	
Mice (Con.)		3.5508		500 - 515	3,5525		3.9858	-6.1	3,5068	-52	3,7528	-6.7	
		3.9700		600 - 516		3.9600	3.9975	-8.3	4.0475	-7.8	4.28	-7.5	
Mica (Fir.)	FO				794,800				801.25		310.75	-3.1	
uth Korea	(Wan)			700 - 800			797,75	-4.5		-8.3	21672	-3.1	
wan	(12)	26.3126		100 - 150			26,3325	-0.9	28.3725	-0.9			
allend .	(34)	25.0800		500 - 700			25,0725						
are implied by	Cultrant	interest type	a. UK, Irelan	4 BCU = 4	poind in U	currency,	J.P. Mary		al indicas if	40 g, B	الإحداث الد	190-10	20
													Stiffer agreeds in the Dollar Spot table show only the feet time decired places. Forward rates are not disptly quoted in at interest ages. UK, Ireland & ECU are quoted in US currency, J.P., Morgan cominal Indices Feo 9, Busin mesage 1860-10

Belglum	TF.	(Fr) 100	18.13	16.62	4.858 2	056 514	5.444	21,26	501.1	418.2	23.63	4.103	2.042	4.488	3.188	315.3	2.575		1000			120.000	*	~ ~~
Demmerk		Kr) 92.28	10	8.792		075 268		11.11		218.6	12.85	2145	1.068	2.338	1.866	184.8	1,348	Northeriesche	2,19672	2,12890	-0.0007B	-3.18	9.49	-
France	ď	Fri 59,47	11.37	10		223 306		12.64	296.0	248.7	14.05	2.440	1.214	2.657	1,896	187.5	1.531	Germany	1.94964	1,89763	-0.001	-2.87	8.92	
Germanny	Č	MO 20.58	3.937	3.462	1 0	423 106	9 1.121	4.378	103.2	86.09	4.863	0.844	0.420	0.920	0.858	64.90	0.530	Belgium	40,2123	39.0506	-0.0073	-2.89	6.16	21
Ireland	•	(E) 48.63	6.302	6.178	2.362	1 250	2.647	10.34	243.7	203.4	11.49	1.895	0.993	2,173	1,550	153.3	1.252	Austria	13.7187	13,3560	+0.0042	-2.70	8.87	
italy		(1) 1,944	0.372	0.327	0.094 Q	040 100		0.413	9.742	8.130	0.459	0.080	0.040	0.087	0.082		0.050	Iroland	0.808628	0.801113	+0.002113	-0.93	7.01	8
Notherland	in .	(FI) 18.37	3.514	3.089	0.802 0.	378 944	9 1	3.905	92,05	76.82	4.340	0.764	0.375	0.821	0.586	57.91	0.473	France	6.53883	6,56756	+0.00233	0.44	5.55	-4
Norwey	(N	Kr 47.04	8.998	7.911	2,286 0.	887 242	2.561	10	236.7	196.7	11.11	1.930	0.981	2.102	1.500	145.3	1.211	Denmark	7,43679	7.A7202	-0.00037	0.47	5.51	-3
Portugal.	. (	Es) 19.96	3.817	3,356	0.969 0.	410 102	1.085	4.242	100.	83.46	4,715	818.0	0.407	0.892	0,638	62.92	0.514	Portugui	182,854	195.705	+0,236	1.48	4.47	-10
Spain	Œ	tal 23.91	4.574	4.021	1,182 0.	492 129	1.302	5.063	119.8	100.	5.649	0.961	0.488	1.068	0.762	75.39	0.516	Spain	154.250	153,522	+0.408	8.01	0.00	-42
Sweden	(5	Kr) 42.32	6.096	7.116	2.056 0.	870 217	2.304	8.997	212.1	177.0	10	1.736	0.864	1.891	1.849	133.4	1,090							
Switzerlan	d E	Fr) 24.38	4,663	4.099	1.164 Q.	501 125	4 1,327	5.182	122.2	101.9	5.759	1	0.498	1,089	0.777	78.85	0.826	NON ETH M	EMBERS					
URK		(E) 48.97	9.367	8.235		007 251	2.666	10.41	245.4	204,8	11,57	2.009	1	2.188	1.561	154.4	1.291	Greece	284,513	296.952	+0.034	12.28	-5.58	-
Canada	0	CS) 22.38	4.281	3.764		460 110		4.768		93.60	5.288	0.918	0.457	1	0.713	70.57	0.576	Italy	1793,18	2008.41	+3.43	12.00	-5.35	-
US		(3) 31.37	6.001	5.275		645 161	1.708	6.669	157.2	131.2	7.412	1.287	0.641	1.402	1	96.81	0.808	UK	0.785749	0.796587	-0.00082	1.25	4.70	***
Japan		(Y) 31.72	6.087	5.334	1.541 0.	652 163	1.727	0.742	158.9	132.8	7.494	1.301	0.648	1.417	1.011	100.	0.817	Equipment (minus	set by the E	AUDIOUR CONTINU	ston. Currentles	are at descent	Ang rotathe str	ength.
Ecu		38.83	7.428	6.531	1.887 0.	799 199	2,114	8.256	194.6	162.4	9.175	1.583	0.793	1.735	1.238	122.4	1	Percentage chen						
Donish Krone	r, French I	ranc, Norwa	opten Kroner,	and Swed	sh Kronor por	10, Belginn	Franc, Yen, E	scudo, Line	and Peests	per 100.								for a Currency, a	O SCHOOLS IN	became a	erence between	the mature man	and Bou ce	the lates
																		En carpel (Ms.	NO USE HEADER	Aur beniettee be	CE SHOW CONTROL	OU OF SHO DISTRIC	My s transaction	and Months of
																		(17/9/92) Starting	and Rates U	re suspended h	m ERM Actions	ment policulation	i by the Financi	lei Times.
IN D-MAR	K FUTUR	BIS (INPA)	DM 125,000	per DM				W 7	APANERE	YEST PER	UTURES!	MMM) Yen	12.5 pe	Yen 10	0									
	Open	Lutest	Change	e High	Low	Est. vol	Open Int.			pen	Latest	-	Hg		OW I	Est. vol	Open Inc.	IN PHILADEL	PHIA SE E	A CIPTICICAL	£31,250 (cent	s per pound)	,	
				_						•		Change	_					Stries	-	- CALLS -			PUTS	
Mar	0.6546	0.6555				23,797	80,676	Mar		0143	1.0122	-0.0021				13,479	74,821	Price	Feb	Mar	Acx	Feb	Mer	Apr
Jun	0.6561 0.6590	0.6590					3,680 674	Jun	1.0	0216	1.0235	-0.0010			2213	467	7,478	1.800	5.74	5.71	5.98	-	0.02	0.31
Sep	0.0000	0.0010	-0.0007	0,001	0.0300	32	6/4	Sep		-	1.0374	+0.0003	•		-	35	705	1.525	3.24	3.45	3.99		0.25	0.79
																		1.550	0.81	1.59	2.42	Ĭ.	0.92	1.65
■ SW133	FRANC E		MMM SE 1	25 000 00	- 55-			= 2	TERLENO I	ame	ES OMNO	CR2 500 m						1.575	0,01	0.60	1.30	1.61	2.32	2.94
	100101	0,000	feretraft Ca	20,000 pt						0.00	Co (tratad)	menac b	W L					1,800	- :	0.14	0.61	4.06	4.30	4.73
Mar	0.7741	0.7772				12,662	39,515	Mar	1.5	5570	1.5572	+0.0003	1.55	90 1.5	5534	0,482	40,358	1,625		~.4	0.24	6.56	6.84	6.83
Jun	0.7786	0.7821				147	1,245	Jun	1.5	5576	1.5670	-0.0000			<u>ක10</u>	78	1,599	Previous des/s vo	L Com 10.00	FP.06 7.067. P			49 Pute 230.04	
Sop		0.7865		0,786	5 -	1	175	Sep		•	1.5560		1.55	80 1.	<b>运10</b>	2						,,		
10						1																		
111V 121	-																							
UK IN	1133	I HA	E2																					
LONDO	N MO	NEY R	ATES					<b>=</b> T	FREE HO	रास का	ERLING !	FUTURE	S (UPPE)	2500,00	O points	of 100%				PACEIE	NDING R	ATES		_
Feb 10		Over-	7 days	One	Three	Sbx	One		0	pen :	Sett price	Change	High	h L	OW E	Est. vol	Open Int.			mac LE	ADING K	WIES		
		night	notice	month	months	months	year	Mar		2.96	92 97	-0.02	92.6		.96	8283	79911		*					- %
Interbenk St	-4	6.7 - 3	652 - 82	6남 - 6	Z 6HZ - 654	74 - 7	7년 - 7년	Jun		2.33	92 27	-0.07	92.3			28787	97083	Adam & Com	Mry 8.7	5 Duncant	t	1.75 Posts	urgine Guerant	
Sterling CD:		014 - 3	0-5 - 014	613 · 6			74 - 72	Sep	81	1.90	91.81	-0.10	91.9	91		11934	67803	Affed Trust Be			rik Limited		onation Limited	
Treasury BE		_		612 6		132 - 032	16-1-8	Dec	91	1.58	91.48	-0.12	91.5	B 91	45	7224	51681	AB Bark	0.7		& Gen Benk		r authorised a	
Bank Bills	•	-	_	B12 - 6		63 - 64		Also	raded on AP	7. AL O	per tremest	for ore to	r Greekuu	de.				OHREY Areket			anang & Co		idno inellitudion.	
Local author	fly classe.	64 - 64	64 - 67	85 8	2 64 - 65		7월 - 7월											Bank of Berod	2 5.7	5 Girutent		0.75 Royal	Bir of Scotland	d_ 6.75
Discount Ma		8 - 612	65g - Blo					= 3	HORT STE	RLING	OPTION	(LIFFE) S	E500,000	points o	f 100%			Banco Bibao					& Friedender	
								Strike			CAL					uis —		Bank of Cypru			nk AG Zurich . 1		& Willman Se	
UK cleering	benk best	lending n	to 6% per o	cent from f	February 2. 1	995		Price		Mar	Ju.	_	Sep	Mar		urs —	Sep	Bank of Irolan					472.444	
			Up to 1		3-6	6-0	9-12				0.0				_			Bank of India .			& Gen Inv Bk.		d Blk of Kirweit. Trust Benk Pic	
			month	month		months	months	9275		0.25	0.0		0.08 0.04	0.03		.55 78	1.02	Sarctave Bank			& Co		TO TOUR	6.75 6.75
2-4-	4- 50	~ -~~			5¾			9325		0.01	0.0		0.02	0.10		78 90	1.23	Brt Bk of Md			& Segral		eway Laidlew .	
Certa of To			. 3	54		9	614			****		-						GBOWN STANS			doe Bank 1		rire Bank	
Corts of Tax	200. U10er	C100,000 is.	2-20¢. Depos	AND WIGHTON	m for count 14	DC.		EST. V	ol. total, Call	MAKE P	AM 0520' I	JANOR G	A a obeu		196756 7	<b>44</b> 155617	7			-				

1.800 - 1.825 Previous des/s vol., Calle 11	0.14	0.51	L06 4.30 L56 6.54	4.73 6.83	Est, vol. total, Call IN EURO STREET
F191222 CO 3 VC. CO.					Strike — Price 9575 9800 ·
	BASE LE	NDING RA	TES		Est. vol. total, Calle
Adem & Company	8.75 Exetor 6 0.75 Pinancia 0.75 eRobert 1 9.75 Girobert 0.75 eGuirres 6.75 Hubib B 6.75 eHambro	Landle 5.7 Landle 7.7 Lank Livillad 7.7 Lank Livillad 7.7 Lank Livillad 7.7 Lanking & Co 0.7 Lanking & Co 0.	Corporation Li longer authori a banking heat Floyal Bit of Sc Singer & Fried Germin & Warm TSB	mitted to no lead as kulson. 9 xxitend = 6.75 lender = 6.75 en Secs., 6.75	потнам слод
Bank of India Bank of Scotland Bank of Scotland Bank of Scotland Bank of Mid East  Glibank NA  Cilibank NA	8.75 C. Hours 6.75 Honglo 8.75 Julian H	o & Gen Inv Bit. 6.75 La Co	Western Trust Williams La Vorighte Ban	nk Pic 6.75 6.75 kdaw 0.75	Feb 10

Mar	94.10	94.13	-0.0	1 9	4.17	94.10	1,567	6.35
Jun	93.54	83,41	-0.0	4 9	3.58	B3.45	1,110	10,77
Sep	-	83.11	-0.0	13 83	3.18	93.10	208	5,101
All Open is	nieraat fign. m	no for previ	oue day					
n Euro	HARK OF	TIONS (L	FFE) DM1	n pointe	of 100%			
Strike			ALLS -				- פוטיו	
Price	Feb	Mex	Apr	JUIN	Feb	Mar		Jun
9475	0.10	0.13	0.04	0.07	0.01	0.04	0.31	0.34
9500	0	0.02	0.01	0.02	0.16	0.16	0.53	0.54
9525	0	0	0	0.01	0.41	0.41	0.77	0.78
Est. vol. to	col, Calle 441 SWING FFI	ANC OF	D. Previous TIOMS (L.)	PFE) SFr	int, Cal im point	105764 of 100	Puss 22624	8
Strike			ALLS -				PUTS	
Price	Me	*	Jun	Sep	Ma		Jun	Sep
9575	0.1	8	0.09	0.07	0.0	2	0.25	0.53
	. 0.0	3	2.03	0.03	0.12		0.44	0.74
9000	1							
9000 9025	0		0	0.01	0.34		0.86	0.97

	en cri		
ab 10		E	\$
targery.	177,569	- 177.930	113,670 - 115,670
	2726.00	- 2729.00	1740.00 - 1750.00
		- 1L467D	0.2986 - 0.2991
Poland	3,8105	- 3,8167	24420 - 24480
		- 6530.20	4189.00 - 4189.00
AE		- 8.7344	3.6725 - 3.6731

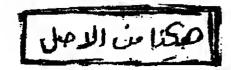
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November 1995

1.	FT IT - Information and Communications Technology	March 1995	below and return
2.	Asia Pacific Telecommunications	<b>April</b> 1995	- L
3.	Telecommunications in Business	June 1995	My Particular areas of intere
4.	International Telecommunications	September 1995	i am interested for Name
5.	New Broadcast and Communications Media	October 1995	Job Title

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	· ·		formatic itellificates
i am interested for			•
Name	. ****************	 Title	***************************************
Job Title	·•··	 Tel	***************************************
Company Address		 	
			**************



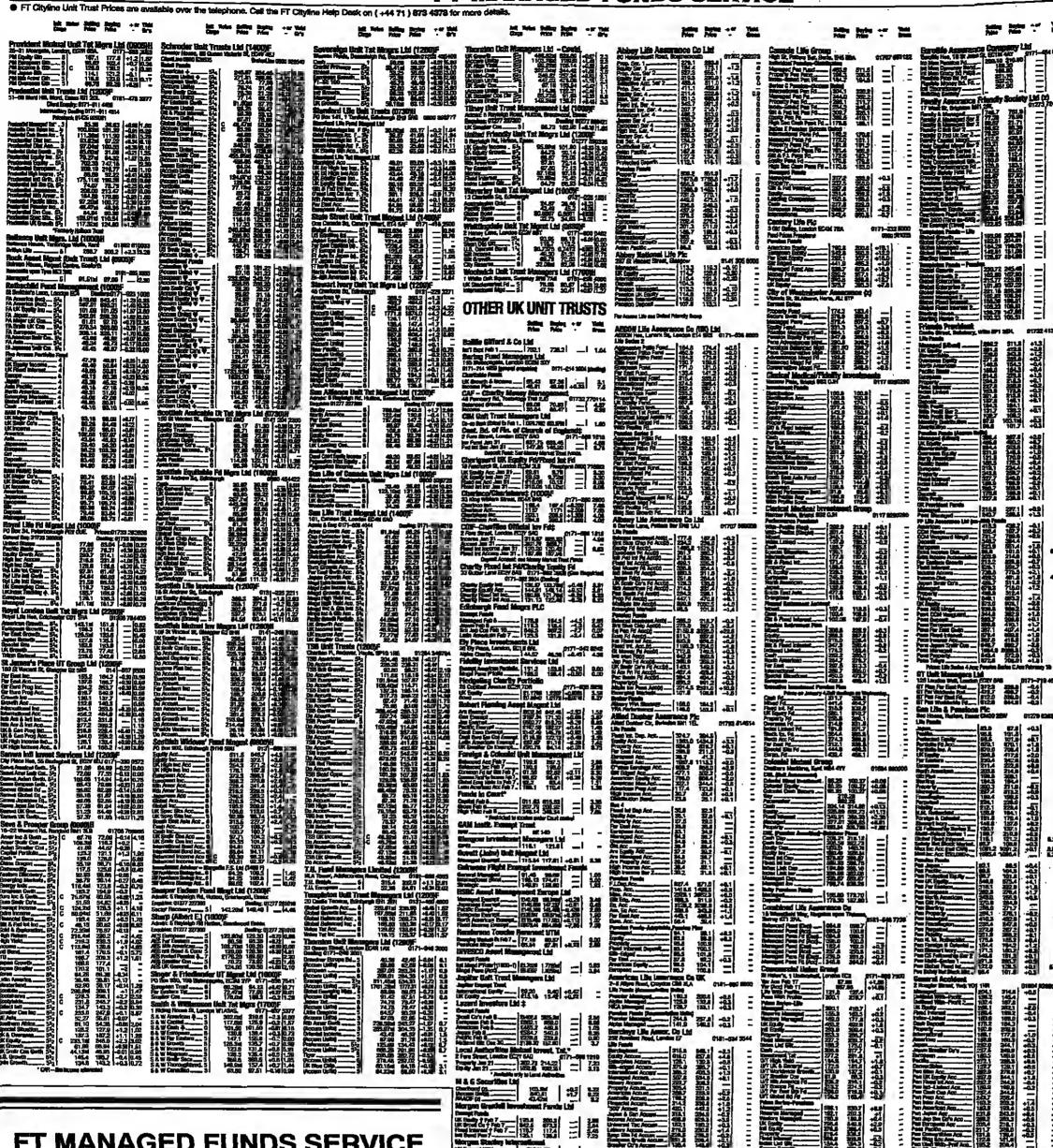
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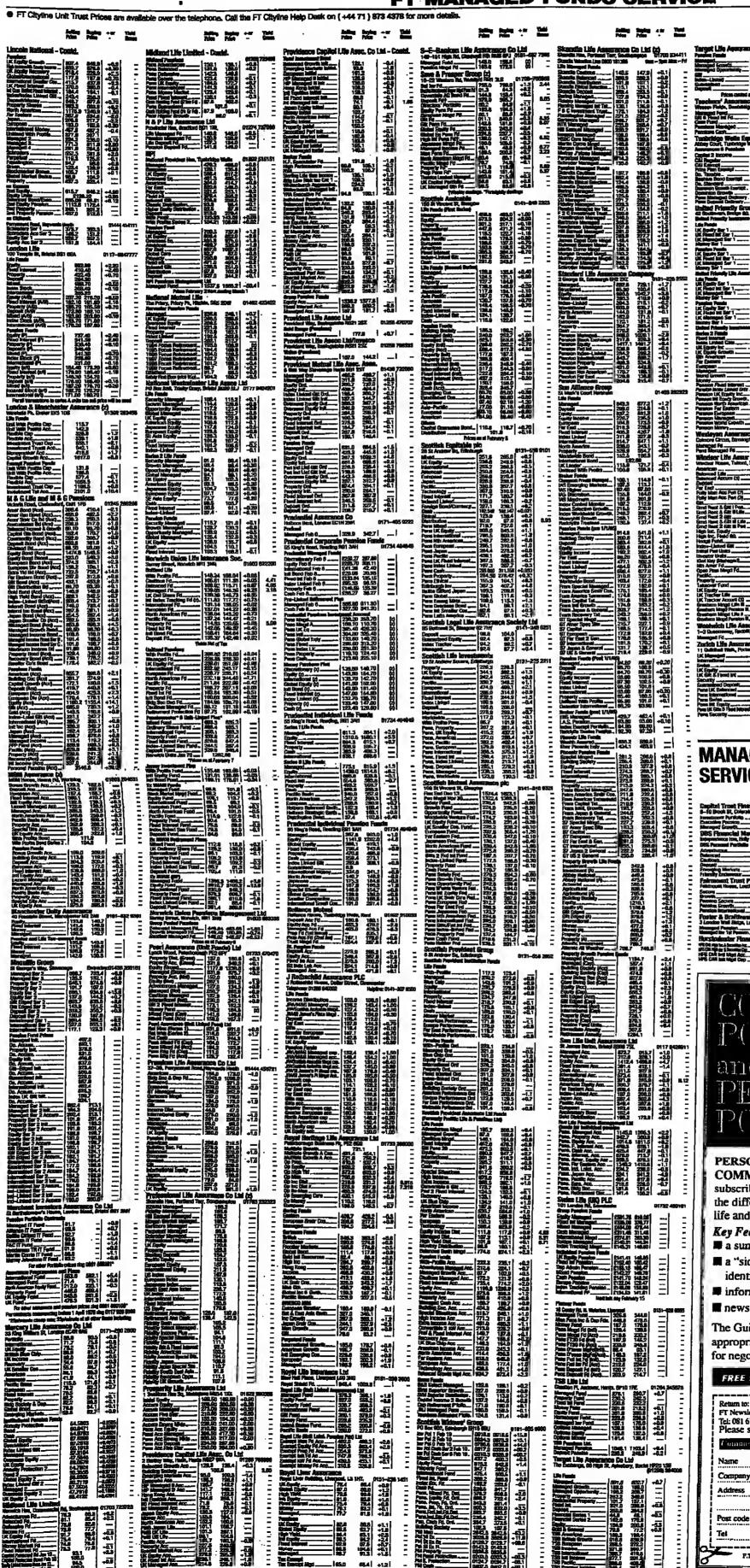
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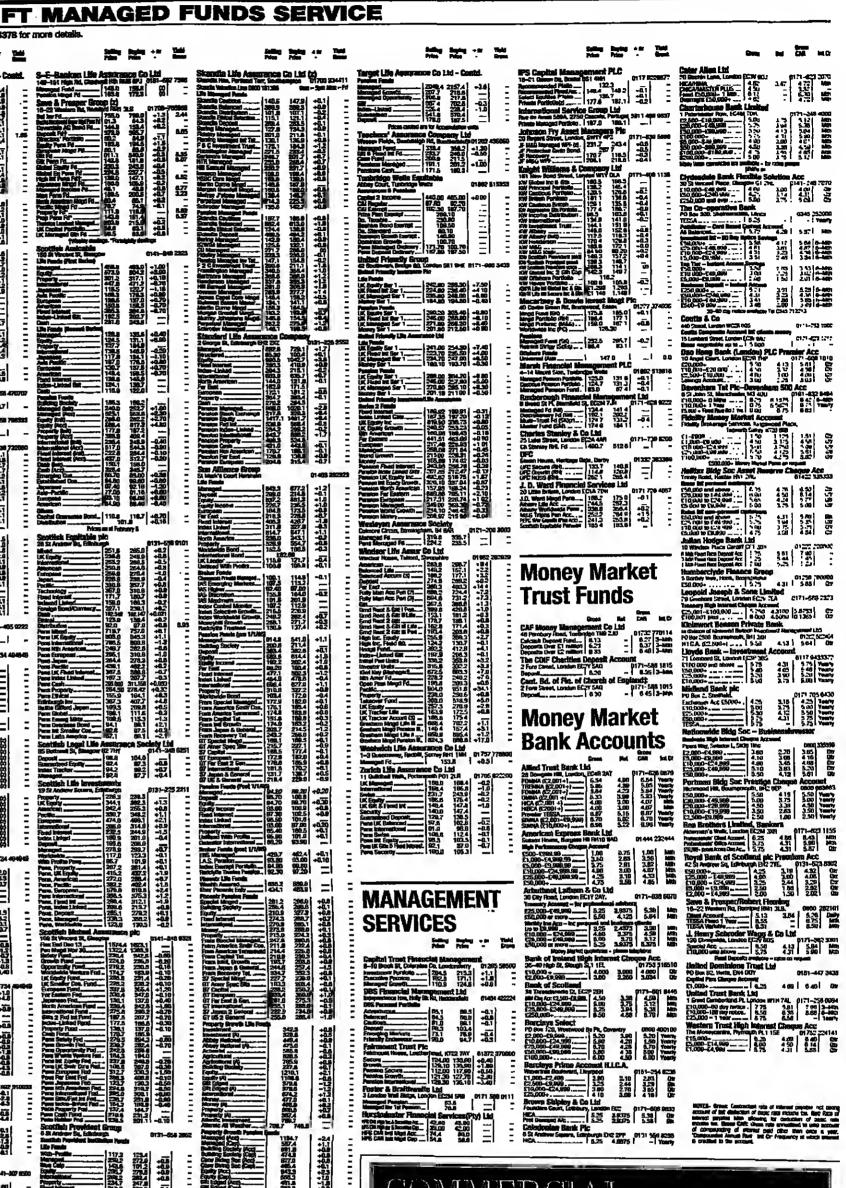
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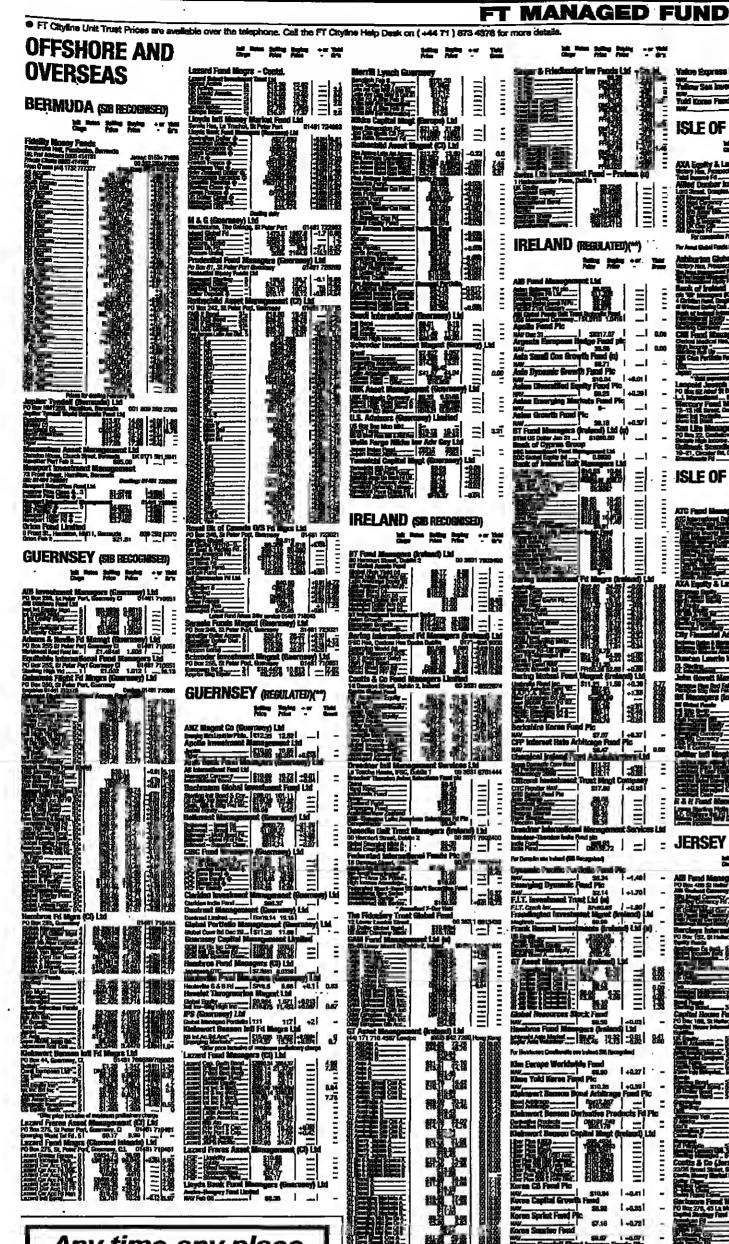




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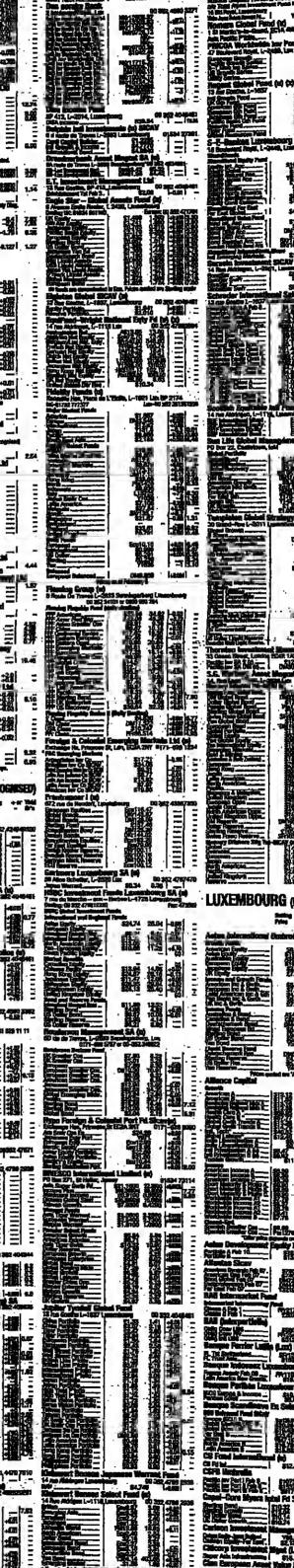


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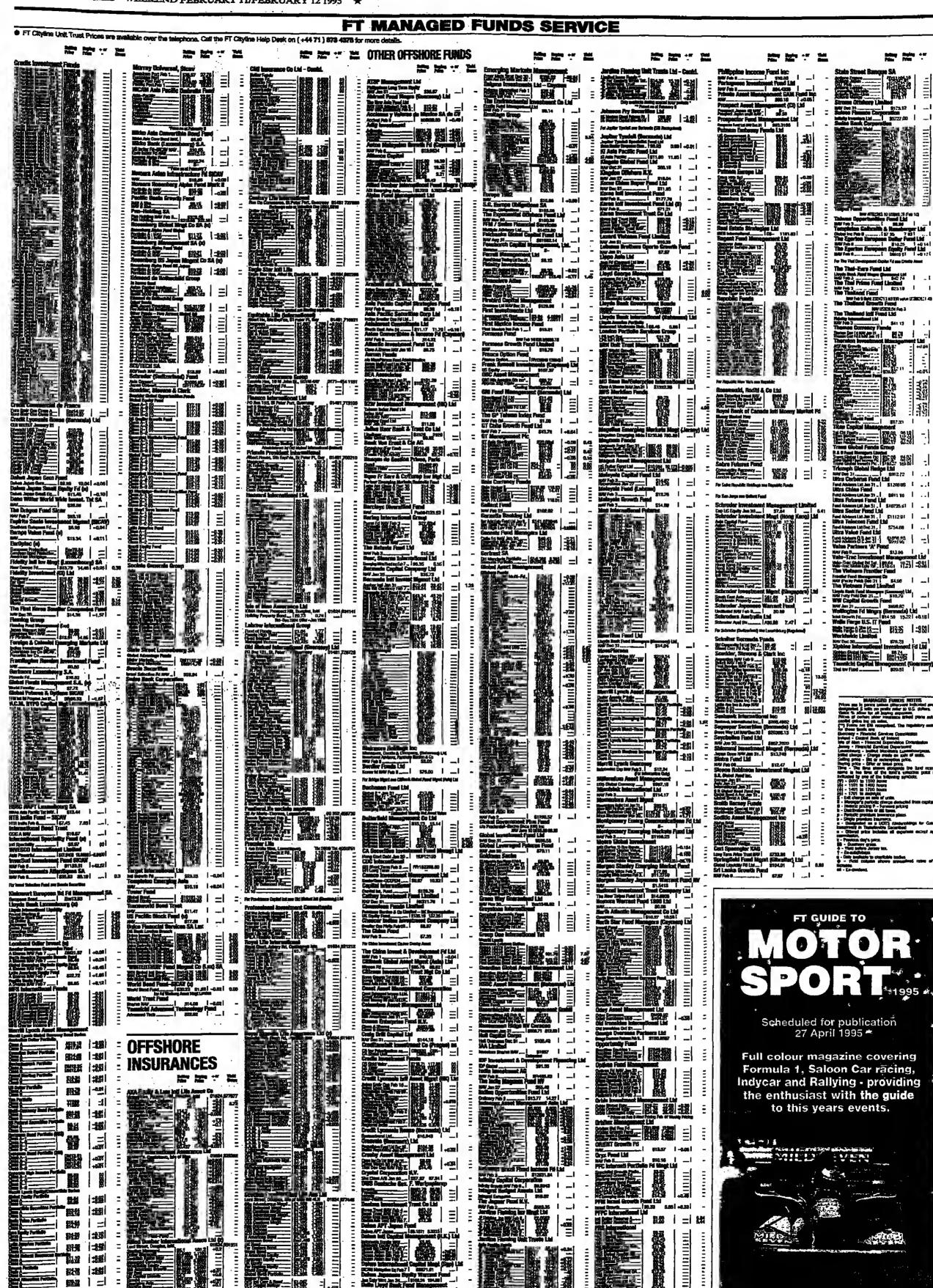


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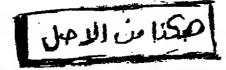
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**WORLD STOCK MARKETS** 

### Brush-off for positive inflation data

#### **Wall Street**

US share prices were mixed yesterday morning as the mar-ket took a bearish turn and brushed off positive data on inflation while noting price pressures further back in the economy, writes Lisa Bransten in New York

At 1 pm the Dow Jones Industrial Average was off 6.39 at 3,926.29. The Standard & Poor's 500 fell 0.38 at 479.81, and the American Stock Exchange composita was unchanged at 446.33. The Nas-daq composite shed 2.42 at 787.86. Volume on the NYSE

was 172m shares.

In January, the producer price index rose 0.3 per cent, the Labor department said yestarday, which was below forecasts of a 0.4 per cent rise. Fig. ures on the core index - which

energy components - were even further below analysts' expectations. The core index was up only 0.2 per cent, compared with an expected 0.4 per

Both the bond market and the broader stock indices, however, ignored the overall figures and reacted to data show-ing continued price pressures at earlier stages in the economic cycle. Prices of interme-diate goods rose 1 per cent in January, which implied an annual rate of increase of 5.2

Those intermediate figures were highlighted by Ms Susan Phillips, a member of the Fed-eral Reserve's Board of Governors, and her comments added to the pressure.

bond was down nearly two-thirds of a point to yield 7.889

per cent. At the short end of the market the two-year note was off nearly a fifth of a

While bond market investors worried that inflation would erode the value of long-term securities, stock market investors acted out of concern that the Fed might raise interest rates again in the near term to

control price pressures. Technology shares helped the Nasdaq stay in positive ter-ritory. The Pacific Stock Exchange technology index was up more than 0.5 per cent. Among rising Nasdaq issues, Intel picked up \$% at \$77%, Microsoft \$% at \$62% and Amgen \$1% at \$68%.

Cyclicals posted modest nors, and her comments added to the pressure.

By early afternoon the long bond was down nearly two-market. Aluminum company of America rose \$\% to \$80, Good-

year Tire \$% to \$36% and Allied Signal \$% to \$37%.

Toronto was lower at midday with gains in gold and base metals stocks moderating declines in the market's other 12 sub-indices. The TSE-300 index fell 14.88 to 4,101.49 at noon in volume of 28.6m shares. Among active stocks, Royal Plastics gained C\$% to C\$11% after the company's announcement of stronger fourth quarter results.

Equities in São Paulo pared losses in late midday trade in a technical recovery following recent sharp falls.

The Bovespa index was off 647 at 33,369 by 1 pm in turnover of R\$76m (\$91m). The

index has dropped 14.1 per cent in local currency terms so far this month.

In spite of some buying by investors, analysts remained concerned over whether President Fernando Henrique Cardoso would get political support in getting his charter reform proposals approved by congress.

#### Mexico

Stocks climbed in mid-morning trade as investors cautiously welcomed a report that Presi dent Ernesto Zedillo had ordered the capture of the leader of the Chiapas rebels. The IPC index was up 35.46, or 1.3 per cent, to 1,970.78.

 BURNOS AIRES opened on the upside in a technical rebound from Thursday's 5 per cent fall. The Merval index was

Thursday's SKr16 advance

Volvo B picked up SKr2 to

SKr148.50 in heavy turnover of

SKr600m ahead of the prelimi-

nary 1994 report and good Jan-

uary sales figures for trucks.

Unibank added its voice to those recommending the stock,

forecasting that the shares

Stora peaked at SKr495 in

immediate response to its 500

per cent increase in 1994 profit

before turning back to finish

SKr1 down at SKr489, with

analysts noting profit-taking

after the share's 13 per cent

rise over the last three months.

would run up to SKr185.

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### the influence of Nokia s Helsinki starting to lose last August. The question is tions. Separately, a FM1.5bn

#### Christopher Brown-Humes on Helsinki's prospects

Slowdown highlights

its gloss after two consecutive years as Europe's best performing stock market?

After a disappointing autumn, the bourse has continued to lose ground this year, with the Hex index closing yes-terday at 1,831.0, down 0.9 per cent since last December 29. A generally glum mood has been reflected in lower turnover levels and reduced levels of foreign buying. At the same time. share prices have failed to respond to results which, generally, have been ahead of

Sentiment has not been lifted by the Bank of Finland'e decision to raise its key tender rate yesterday, the second increment in three months. The increase, from 5.5 per cent to 5.75 per cent, underlines the fact that Finnish interest rates hava turned after plumbing levels not seen since the 1950s.

The situation on the bourse highlights the divide between Nokia, the booming telecoms group, and the rest of the market. Nokia accounts for 29 per cent of Helsinki'e FM180bn market capitalisation and it drove the bourse up singlebandedly by 17 per cent last year; without it, the index would have fallen 4.2 per cent. This year Nokia has again been rising, emphasising the

Finland's big exporters are reaping near-record profits on the back of cost-cutting. Demand is rising in key markets and the Finnish economy is making a buoyant recovery from deep recession. Against this backcloth, the stock market trend is slightly surprising. The development, in part, reflects a post-Mexico flight from fringe markets. If nothing else, the Latin American crisis has served to emphasise a tra-ditional view of Helsinki as a niche, volatile market, prompting more nervous investors to

lock in profits while the going is good. Heavy foreign buying belped drive the Finnish market up by a staggering 90 per cent in 1993. But at the end of last month foreigners held 17.8 per cent of Finnish shares, down whether this is temporary profit-taking, or signifies a broader shift sway from a highly cyclical market after two very good

Domestic buying has also been more subdued, partly because money freed from time deposits at the end of last year has not been invested in equities to the extent expected.

One of the things that has influenced perception of the market has been the sharp strengthening of the markka over tha last half year. The trend has undoubtedly dampened earnings prospects for some of the country's big exporters, particularly in sectors like pulp and paper and



engineering. But analysts doubt the markka will rise much further. They cite political uncertainty in the run-up to Finland's March general elections, which is expected to oust the current centre-right government in favour of a Social Democraticled administration. There are also concerns about Finland's high debt level and the possi-hility of a surge in inflation following recent pay awards that broke with the restraint of

the last three years. The market's difficulties have created an uncomfortable background for Finland's privatisation programme and future corporate share issues. The two most recent privatisa-tion issues for Kemira, the chemicals group, and Finnair, the national airline, were both global share issue by Kymmene, Finland's second largest forestry group, was pulled in December because it failed to meet the company's price tar-

These difficulties are forcing the Finnish government to slow the pace of a privatisation process that is heavily dependent on foreign investor interest. A planned offering for Neste, the big oil and petro-chemicals giant, was expected to go-ahead in the spring; but this has now been deferred until the second half of the year. Even that date may be jeopardised if the Social Democrats win the general election. They are opposed to the privatisation of "strategic" state assets, and may well consider Neste in that light.

However, reduced privatisation would be good for market liquidity, bowever. There is also likely to be a lower flow of corporate share issues. After the rebuilding of the last two years, many of Finland's big groups have much bealthier balance sheets and cash flows

are very strong. These factors should help to support the market at a time wben most analysts consider the Finnish market to be undervalued oo fundamentals. Helsinki is trading on a price/ earnings ratio of around 9.5 times 1995 earnings, against a

European average closer to 14. The market looks very cheap, " argues Ms Taina Uljas, an analyst with BZW in London. She says that if Nokia is excluded, the market is still 25 per cent below its 1989 peak - and this at time when big companies are in much better competitive shape than they were six years ago.

ust how good a shape should become apparent over the next few weeks as a flood of corporate results hits the market. Expectations are running very high, both with respect to profits and dividend pay-outs, but that does not rule out the scope for pleasant sur-prises. They could prove to be the trigger for a new spurt of buying which drags the market from 21.5 per cent at the end of priced below initial expecta- out of its current doldrums.

#### EUROPE

Park Mari

### Paribas suffers as French equities retreat

lead from US treasuries, rather than US equities yesterday afternoon, and in some cases they ended well off their best writes Our Markets Staff.

PARIS retreated in late trading, the CAC-40 index shedding 5.04 to 1,869.40, after 1,887.78, for a week's gain of 15 per cent in turnover of nearly FFr4bn. Paribas suffered from reports

that accounts prepared for Ciments Français in 1991 had been "falsified" to show a profit rather than a loss. Paribas, which four years ago had a stake of 68.8 per cent in the company, lost FFr7.90 or 2.3 per cent to FFr329.50. Mr Simon Hopkins of Nomura in Paris remarked that the report was bad news for a company which had already been affected negatively by outstanding loans to property

WHILE A

developers.
Accor, off FFr30 at FFr557, was buffeted by rumours, which it denied, that a number of banks holding a large amount of guaranteed debt in the hotel group might be considering exercising a put heavily geared and any aggravation of the debt burden would worry investors, ana
24 per cent on the week. cent of its worldwide staff in a broad restructuring. Zurich analysts said that the shares

Renewed bnying of construc-

tion stocks by individual inves-tors helped the Nikkei index to

close higher in spite of foreign

The 225 average rose 191.80 to 16,291.85 after trading

between 18,010.81 and 18,299.95,

fluctuating on arbitrage activ-

ity during the morning session. Overseas investors sold con-

struction stocks and blue chips

in the afternoon, but individ-

ual buying finally won the day.

Volume rose from 340m to 360m shares, lifted by trading linked to yesterday's February

option contract settlements

and by corporate profit-taking.

The Topix index of all first

section stocks added 18.58 to

1,426.29 while the Nikkel 300 moved up 3.06 to 261.61.

Advances led declines by 574 to 386 with 180 unchanged. In London, the ISE/Nikkei 50

Fudo Construction, the most

Institutions bought high

active issue of the day, rose Y70 to Y1,300 and Penta-Ocean

Construction by Y26 to Y865.

index rose 2.52 to 1,167.03.

and corporate selling, writes Emiko Terazono in Tokyo.

Tokyo

FT-SE Ac	tuane	S She	are in	dices				
Feb 10 .					1	HE EUR	OPEAN	SERIES
Housy changes	Ореа	10.33	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100 FT-SE Eurotrack 200	1349.17 1407.80	1348.54 1405.80	1348.44 1406.04	1348.94 1408.63	1349.79 1407.55	1351.32 1408.84	1350.17 1408.86	1348.3 1408.4
		Feb 9	Pub 6	5 F	eb 7	Feb 8	Feb	3
FT-SE Eurotrack 100 FT-SE Barolinack 200		1347.04 1403.33	1384.4 1389.2		40.47 97.72	1338.28	132	

lysts maintained.

Eurotumnel shed 45 centimes to FFr25.15 as it forecast lower than projected revenue in 1995, while Pechiney International gained FFr4.80 or 3.2 per cent to FFr152.80 as base metals

FRANKFURT reaffirmed Thursday afternoon's break through the 2,115 to 2,118 resistance level as the Dax index rose 17.46 to 2,130.15. Turnover stayed high, easing from DM9.9bn to DM9bn.

There was a further upward blip after hours on US data but by that time, said Ms Heidemarie Höppner at B Metzler in Frankfurt, people wanted to protect their profits. The Ibisindicated Dax receded a little

technology stocks, depressed by foreign selling over the past

few weeks. NEC rose Y9 to

Steels ended mixed. Kobe Steel lost Y2 to Y267 following reports of that a credit rating agency was reviewing its debt

ratings for a possible down-

In Osaka, the OSE average

rose for the first time in four

days, by 21.22 to 19,996.59 in 44.8m shares. One Pharmaceu-

tical, however, fell Y60 to

Pacific Rim markets put in

mixed performances. HONG KONG was in hesi-

tant mood as it awaited yesterday's US producer price figures and the Hang Seng index fin-

ished 42.06 lower at 8,012.82.

The index was, however, still 7.1 per cent higher over the week after the sharp rally on

Monday and Tuesday which was a response to interest rate developments and news of a

Morgan Stanley rerating of the market. SHANGHATe B index picked

up another 2.7 per cent, on top

Y4,730 on profit taking.

Y925 and Sony Y50 to Y4,770.

Nikkei ahead as Shanghai B adds 2.7%

Thursday's post-results gains with a rise of DM10.40 to DM513.80; Degussa, up DM7 to DM478 for a two day gain of 3.9 per cent after it broke through the chartists' DM460 barrier; and Lufthansa, with a rise of DM7.30 to DM207.80.

Among second liners, Duerr, the automotive supplier, climbed DM26 or 5.1 per cent to DM536 on a DM150m contract to supply Mercedes with a new vehicle painting system.

ZURICH was influenced by the weaker dollar as the SMI index edged 1.5 down to 2,635.4, 1.8 per cent up on the week. Banks were among the day's losers. CS Holding fell SFr9 to SFr537 after US newspapers reported that CS First Boston cent of its worldwide staff in a eased 0.7 to 1,558.1 for a 1.2 per

of Thursday's 5.7 per cent advance, as confidence grew

about a resolution to the Sino-US trade disgute. The index of shares available to foreign investors rose 1.45 to 56.30, tak-

ing its advance over the week

to 7.8 per cent.

MANILA was lifted on buy-

ing of blue chips, lifting the market above the 2,600 resis-

tance level. The composite index rose 54.47 or 2.1 per cent,

to 2,624.469 in turnover of

1.78bn pesos, a week's gain of

4.5 per cent. KUALA LUMPUR extended

its gains as retail investors

continued to snap up second

and third-line stocks, with the strong demand partly triggered by more rumours that general

elections would be held next month. The composite index closed 9.35 higher at 980.38,

taking its gains for the week to

Recent gains had basen inspired by foreign buying following the market's sharp fall in January in aftermath of the

Mexican crisis.
SEOUL finished lower in relatively weak trading amid doubts about the short-term

prospects for the market.

that Privatbank Pictet in Geneva had downgraded its recommendation on the stock to a "hold" from "buy". Meanwhile, Sandoz gained

SFr13 to SFr699 in response to a number of brokers' recommendations during the week. AMSTERDAM'S AEX index finished with a gain of 0.97 to 415.64, up 0.7 per cent on the week. VNU, the publishing group, ontperformed with a rise of F14.10 to F1180.10 as a large buy order was executed. MILAN eased on profit-tak-ing after a heavily technical session dominated by the monthly options expiry. The Comit index rose 1.09 to 680.54, up 1.1 per cent over the week,

lost 88 to 10,823. A L828 or 6.1 per cent fall to L14,342 in Credito Romagnolo was attributed to Credito Italiano's announcement that it would take up '78 per cent of the bank's shares, compared with the 96 per cent tendered. STOCKHOLM's decline was moderated by a firm performance from Volvo as the Affärsvärlden general index

8.46 lower at 955.31, but was 1.6

per cent higher over the week. SINGAPORE dipped on a

lack of institutional buying while Malaysian shares traded

over the counter took centre stage, as institutional funds selectively switched out of Mal-

The Straits Times industrials index fell 10.96 to 2,074.05, tak-

ing the week's decline to 1.7

SYDNEY made progress on a

unchanged on the week, in turnover of A\$578m.

net which was widely viewed as an indication of a return of

stability in New Delhi. Tha

BSE-30 index fell 33.43 to

as investors adjusted positions in line with a market expected to remain sluggish in the near-term. The all share index fell

COLOMBO fell 2.8 per cent

aysia to Singapore.

per cent.

3,522,14

25.84 to 878.22.

cent rise on the week.

but the real-time Mibtel index

Written and edited by William Cochrane, John Pitt and Michael

#### **SOUTH AFRICA**

Brokers saw little new to influence the equity market, and mild profit taking left golds, in particular, lower in spite of a steady bullion price. The golds index lost 26.8 to 1,627.6 as industrials fell 21.9 to 6,389.1 and the overall index by 18.4 to 5,234.1. In miners, Freegold shed 150 cents at R49.50.

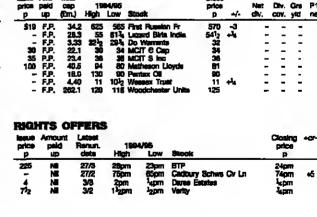
LIFFE EQUITY OPTIONS

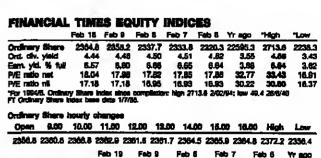
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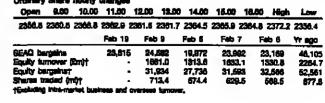
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#### LONDON

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163	96	420	745	524	2,120
49	43	129	268	218	818
96	86	374	485	436	1,859
26	12	11	134	50	61
79	112	226	518	407	1,150
107	55	423	712	345	1.864
20	43	23	236	139	104
608	603	1,711	3,604	2,651	8,364
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668.34 394.89 6390.83 -1.4
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strong rise in the mining sec-tor. The All Ordinaries index added 12.4 to 1,845.0, BOMBAY felt further selling pressure, unimpressed even by news that the prime minister, Mr Narasimha Rao had increased the size of the cabinet which was widely appearance. 80 0 111/k 131/k 1 11/k 3 Classified 140 141/k 301/k 221/k 1 1 31/k 8 70 70 31/k 8 8 5 8 7 1150 47 67 67 68 68 69 1 1200 201/k 621/k 231/k BTR 300 21% 25 31% - 7 18 (%21) 330 1 51% 18 9% 21% 26% 119 9% 11 9% 18 9% 21% 26% 119 9% 15 (%35) 420 - 8 14 25 27% 35 Quibury Sch 400 10% 27 37 1 9% 13% (%18) 447 - 67% 18% 28 31 34 Refin-Royce 180 81/4 12 151/4 1 7 101/4 (\*164 ) 180 – 4 81/4 151/4 20 221/4 Estion Sec 700 15% 47 85% 7% 25% 42% (706) 750 8 25 37% 44 57 71% (845) 460 - 514 15% 25 38 38 \* Underlying security price. Premaums shown are bread on sectionary prices. February 10,75cml contracts: 36,861 Calls: 16,694 Pubs: 24,027

FT GOLD MINES INDEX

Feb % sing Feb Feb Year Gross div 22 week 8 on day 8 7 ago yield 16 Migh Low 1715.30 +9.6 1005.27 1000.36 2040.63 2.23 2307.60 1037.51 Bald Mines Index (SQ Africa (16) 2718.22 +5.6 2576.23 255).82 2695.17 5.05 3711.87 2394.45 Australiada (7) 1858.56 +2.8 1768.20 1876.20 2672.41 0.90 2851.46 1768.20 1876.20 2672.41 0.90 2851.46 1768.20 1876.20 2672.41 0.90 2851.46 1768.20 1876 Z718.22 +6.5 2576.23 255).42 2853.17 6.06 3711.87 2304.45 1858.56 +2.8 1788.20 1670.20 2872.41 0.90 2851.49 1758.20 1402.33 +1.9 1300.22 )386.39 1777.53 0.60 1811.21 1346.38

#### **LONDON STOCK EXCHANGE: Dealings**

Details of business done shown below have been taken with consent from lest Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talluman system, they are not in order of essecution but in ascending order which denotes the day's highest and lowest curities in which no business was recorded in Thursday's

Fluie 4.2(a) stocks are not regulated by the international Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. ‡ Bargains at special prices.  $\phi$  Bargains done the previous day.

British Funds, etc Treasury 134;96 Stk 2000/03 - £122/2 122/2 10<sup>1</sup>2% Stx 2005 - £112<u>13</u> (9Fe95) Corporation and County Stocks

Dudley Metropolism Berough Council?% Ln Skt 2019 (Regi(F/F) - 290.15 (SFe0S) Leads(City of) 13<sup>1</sup>2% Red Skt 2008 - 2125<sup>1</sup>2 (SFe0S) (07-95)
Liticaliar City Council 7% Ln Six 2019(Reg) - 280% (87-95)
Literator Corp 23,% Red Six 1925(or siter) - 223/2 (87-95)
Saliord City of 7% Ln Six 2019(Reg) - 280% (87-95)

UK Public Boards Metropolitan Water Metropolit 98k 63/2008 - 270 (8Fe95)

Foreign Stocks, Bonds, etc-(coupons payable in London) AMP, (U.K.) PLC 19% Bds 2015 (Br £50008100000) - £181(6 5Fe65) Abboy National Shering Capital PLC914/% Subord Gid Bds 2004(Br2Vers) - £9644 (7Fe85)

(/Fe95)
Abbey National Starling Capital FLOTo 4
Baubord Glid Bide 2002 (Sr E Vad - 2104)
Abbey National Treasury Serve FLC 6% Glid
Na. 1996(Br.21000,100000, 1000000) - 22874
(87468) Abbusy Netional Treasury Serve PLC 74,% Gld Nts 1998 (Br £ Var) - 297,2375 (BFe05) Abbusy Netional Treasury Serve PLC 8% Gld Nts 1997 (Br\$ Yess) - \$100% (8Fe96) Abbey National Transury Serve PLC 5% Gtd Bds 2003 Gtr E Van) - 582 [[77-645] Abbey National Transury Serva PLC 10<sup>1</sup>2% Gtd Nts 1997 (Br Svar) - £103.65 .714 .72 454-459

(3Fe05) Air Products & Chemicale Inc 91<sub>2</sub>% Nts 1987(BHZ1000\$10000) - 2102½ (BF405) Auda Frience Ld 164,96 Cav Cap Bd42005(BF 25000\$1000\*\*\*

(SFedS)
Australier Inclusity Dev. Corpr., 10<sup>1</sup>/<sub>2</sub>% Bds
1999(3+21000810000) - 21(2<sup>5</sup>/<sub>4</sub> <sup>3</sup>/<sub>2</sub>
BAA PLC 11<sup>2</sup>/<sub>4</sub>% Bds 2016 GP
21000081000009 - 2124.16 (SFedS)
SP America Inc 3<sup>1</sup>/<sub>2</sub>% Gtd Nia 1998 (Sr £
Var) - 2101<sup>3</sup>/<sub>4</sub> PB Capital SV Zero Cyn Nis
1995(8+\$1000610000) - 397.45 97.45 97.7

(6F-605)
Sengleck Land (Ceyman Islands) Ld 412%
Grid Each Bds 2003 (Reg Int \$1000) \$883-693-(6F-605)
Berchaye Benk PLC 8.5% Nts 2004(6H:Various) - 292.05 (6F-605)
Berchaye Benk PLC 976 Perm Int BearingCap8chdiffleghal/Midfel) - 297/3 (8F-605)
Berchaye Benk PLC 9.675% Undated Subord
Nts - 5277-4 (6F-605)
Berthaye PLC 94/35% Perp Subord Nts (8H:2Various) - 293/3 (8F-605)
Beating PLC 94/35 Perp Subord Nts (8H:2Various) - 293/3 (8F-605)
Brainer PLC 94/35 Perp Subord Nts (8H:2Various) - 293/3 (8F-605)
Brainer PLC 94/35 Perp Subord Nts (8H:2Various) - 293/3 (8F-605)
Brainer PLC 94/35 Perp Subord Nts (8H:2Various) - 293/3 (8F-605) stol 3. West Building Society 10-496 Subord Bds 2018 (Br £ Var) - £104<sup>1</sup>2 ,53

Subord Bds 2000(B:£1000&10000) Subora Bos 200(8h2100004100000) -2104,56 (8F985) Britannis Bulkling Society 10<sup>1</sup>2 % Bds 2000 (Br £100008100000) - £105½ British Aerospace PLC 164,56 Bds 2014 (8h2100004100000) - £105½ (8F895) 24th Aerospace BC £112,66 Bds 2014 British Astrospace PLC 16% (6 Bds 2014 630:10008100000) - E105% (87-905) British Astrospace PLC 11% (8 Bds 2008 (8) E1000810000) - E1145 (8 prints) British Artways PLC 10% (8 Bds 1986(8) E1000810000) - E102.8 (8 Fe05) British Artways PLC 10% (8 Bds 2008(8) E10008 (8) Fe05) British Gas PLC 75% (8 Hs 1987 (8) E V var) -E98% (9 PLC 75% (8) Bds 2000 (8) E V var) -E94% (8 Fe05) British Gas PLC 10% (8 Bds 2001(8) E E1000.1000081000000 - E108 (8 Fe05)

21000,100008,100000) - 2108 (6Fe85) British Gas PLC 8<sup>1</sup>8'4 Bds 2003 (Br 2 Var) -British Lund Co PLC 8.875% Bds 2023 (Br £ Var) - 2904, (SFe65) Shitish Telecommunications PLC Zero Cpn Bds 2000(Ev£1000810000) - 2857; 7g

reich Telecommunications PLC 7<sup>1</sup>g% Bda 2003 (Br £ Ver) - £86∰ 2003 (Br E Ver) = 286§2 British Telecommunications PLC 81<sub>8</sub>% Bds 2020(BrCVera) = 286.87 (Br68G) Burmah Castrol Capital(Jensey) Ld 91<sub>2</sub>% Crav Cap Bds 2006 (Reg £1000) = £1381<sub>2</sub> 9 1<sub>2</sub> 40 ,07 1/2 CRIH Cupited Let 51/4% Criv Cep Bds

CR4 Capital LO 54/31 CR4 Cap Bos 2005(855000) - 512 (77686)
Commercial Union PLC 164/34 Gital Bide 2002 (Br E Ver) - 2108.9 (87685)
De Nedonate Investoringsbank N.V. 84/34 Bide 22/12/86(Br E Vers) - 2887/3 Br/4 (67686)
Donmand/Ringdom of) 64/34 Nts 1988 (Br E Ver) - 294/3
Depte Fixance N.V. 71/24 Gital Bide 2003 (Br E Ver) - 294/3 Dones Group (Capital) PLC 64/34 Chv Gad Bide 2002 (Br S000850000) - 2881/2 R/4 (87685)
Eff Enterprise Finance PLC 84/34 Gid Bide 2005 (Br S 50000) - 2382 R/4 (87685)
Eff Enterprise Finance PLC 84/34 Gid Bide 2006 (Br S 50000) - 2382 R/4 (87685)
Eff Enterprise Finance PLC 84/34 Gid Bide 2001 (Br E1000810000) - 21074/4 (87685)
Far Eastern Department Stores Ld 38/4 Bide 2001 (Br E1000810000) - 21074/4 (87685)
Far Eastern Department Stores Ld 38/4 Bide 2001 (Br E1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2006(Br S 1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2006(Br S 1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/325
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/3265
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/3265
Finand/Republic of) 10/2/46 Bide 2008(Br S 1000810000) - 2103/3265
Finand/Republic of) 10/2/46 Bide 2008(Br S 100081000) - 2103/3265

Forte PLC 9<sup>3</sup>2% Bds 2003 (Br £ Var) - 296<sup>3</sup>2 (Triets)
Gueranteed Export Finance Corp PLC Gtd
Zero Con Sds 2200(Bt£10000£100000) 621.53 (Bre05)
Hallian Building Society 6<sup>3</sup>2% Bds 2004 (Br£1000,100000) - 293.182 (Bre65)
Hallian Building Society 8<sup>3</sup>2% Nat
1999(Br£Vara) - 607<sup>3</sup>4 8
Hallian Building Society 10<sup>3</sup>2% Nat
1999(Br£Vara) - 607<sup>3</sup>4 8
Hallian Building Society 10<sup>3</sup>2% Nat
1997(Bt£Var) - 2100<sup>4</sup>4
Hallian Building Society 10<sup>3</sup>2% Nat
1997(Bt£1000810000) - 2103<sup>3</sup>2 <sup>3</sup>2 ½
Hallian Building Society 11% Subord Bds
2014(Bt£1000810000) - 2111(g<sup>2</sup> g<sup>2</sup> g
(Sre65)
Harmon PLC 8<sup>3</sup>2% Crw Subord 2008 (Br
EVar) - 2103<sup>3</sup>2 (Bre65)

| Common | C

(8): \$ Var) = \$38/6, V/rame | 9.125% Glid leave | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189

2005(9-51000a10000) - 285 (95-95) Leede Permerent Bullding Society 10\*2% Subord Bde 1986 (9:25000) - 2103-k (65-95)

Leads Permanent Building Society 11<sup>3</sup>2 % No. 1996 (Br £50008:100000) - £103<sup>3</sup>4 (7Fe95)

Official List the latest recorded business in the four previous days is given

Lloyds Bank PLC 73g% Subord Bds 2004(Br.Chricus) - 257 H 7 Lloyds Bank PLC 9594 Subord Sde 2023 (Br C Van - 2005, (85-65) Lloyds Bank PLC 104,1% Subord Sda 1966(BA10000) - 21,034 1966(BA10000) - 21,034 Lloyds Bank PLC Subord Fitz Rha Nts(Br2 Vars) - 2100.35 (65-66) Landon Escaticity PLC 5% Bds 2003 (Br 2 Var) - 2946 MERC PLC 93/6 Bds 2004(Br21000810000) - £100% (7Fe85) MEPC PLC 104% Bds

Next C PLC 10% 6 Bds 2005(PLC 10% Bds 2005 (Br £10000 & 10000) - £1165<sub>2</sub> (8Fe85) Marka 8 Spancer France PLC 77<sub>8</sub>% Gtd Nbs 1000 (Br 2 Var) - 200<sup>2</sup><sub>4</sub> Muricipality France LC 9<sup>2</sup><sub>2</sub>% Gtd Nbs 1997 (Br 2 Var) - £101<sup>2</sup><sub>1</sub> 2<sup>2</sup><sub>4</sub> National Westriphater Rep<sup>2</sup> Cl 2 121-4 144 (Br \$Ver) - \$1017<sub>2</sub> 24<sub>4</sub> attored Westmineter Benk PLC 111<sub>2</sub>% Und-SubNas \$1000(Chv to PrijReg - \$1084, 7<sup>2</sup>4

SubNa £1000(Chrv to Priffing - £1063, 74, 68495)
National Weatminuter Bank PLC 1112% Unct-SubNa £1000(Chrv to Priffer - £1063-\$6 Nationalde Building Society 13,548 subord Na 2000 (Br £10000) - £1173 (77-665)
Norak Hydro AS 81-\$45 Na 2003 (Br £1000810000) - £1013 (77-665)
Northern Rock Building Society 10-\$75 Subord Bas 2018 (Br £100081000) - £1013 (47-665)
Northern Rock Building Society 10-\$75 Subord Bas 2018 (Br £1 Var) - £1034 (47-665)
Northern Weater Group PLC 91-\$76 (Bds (95-95) Northumbrian Water Group PLC 91/1/6 Bds 2002 (97-2 Var) - 2901/2 (27-65) Norwey (function of) 71/1/6 Nia 1997 (97 85000410000) - 3997 Pacific Electric WireSCable Co Ld 31/1/6 Bds

Pacific Electric Wi 2001(Br\$10000) - \$120 (BFe05) Pearson PLC 10<sup>1</sup>2% Bds 2006(9):E1000410000) - £107/4; (8Fe85)
Pearson Starting Finance PLC 164,% Ged
Bds 2007 - £108,478 ½ % (8Fe85)
Pearson Starting Two PLC 9,5% Ged Bds
2004(9):£ Versi - £100); (7Fe85)
PowerGen PLC 64,% Bds 2003 (9):
£100008100000) - £97/6; (7Fe85)
RMC Capital Ld 64,% Cnv Cap Bds 2008 (8):
£50008600000 - £23/4; (7Fe85) 00) - £107<sup>3</sup>4 (8Fe

RMG Capital Ld 84,% Chr Cap Bde 2006 (Br 55008,50000) = 1234 (Fe85) RTZ Canada Inc 74,% Gtd Bda 1896(Br550008 100000) = 594% Bde 2000 (Br £ Var) = 598,% (Br865) Rediand Sterling Funding PLC 107,% Gtd Bda 2001 (Br 5Var) = 2107 (Fe85) Robert Fleming Inti Financa Ld 84,% Perp Subord Gtd Nin (Br 5Var) - 2347 4 Rothachilda Continuation Fin(CJ)Ld9% Perp Subord Gtd Nin (Br 5Var) - 23274 (Br695) al Bank of Scotland PLC 6% Hotel

dend PLC 10.5% Subord Royal Bank of Scotland PLC 10.5% Subord Bds 2013 (Br £ Var) - £108 Royal Bank of Scotland PLC 10<sup>5</sup>9% Subord Bds 1998 (Br£50008.25000) - £104<sup>7</sup>4 (7Fe95)
Royal Insurance Hidge PLC 95<sub>8</sub>% Subord Bds 2003 (37 £ Var) - 5974; (6Fe95)
Balesbury(), PLC 124;46 Nas
1995(6:21000610000) - £100.96 (3Fe95)
Salesbury (J.)(Channel MandelLd
3/2 W.Chr.CepBds 2005(97 £50003.100000) £1394;

hidine Beacham Capital PLC 612% Gld who have been supposed PLC 8-2% Gra Not 1998 (Gr E Var) - 257% lockete Generale 7.875% Perp Subord Nts (Gr E Var) - 258% (7FeSS) phrata AB Filip Rie Nts September 1998 (Gr S Var) - 599% 100 \$ Var) - 599<sup>1</sup>/<sub>2</sub> 100 Termor Financa (Jersey) Ld 9<sup>1</sup>/<sub>2</sub>% Cnv Cap Bds 2006 (riog 1:000) - 299<sup>1</sup>/<sub>4</sub>, <sup>3</sup>/<sub>2</sub> (9Fe6f) Tate & Int Finance PLC 8<sup>3</sup>/<sub>4</sub> 61d Bds 1890(ptc10000810000) - 299<sup>3</sup>/<sub>4</sub> (9Fe96) Teco PLC 10<sup>3</sup>/<sub>4</sub>% Bds 2002 (Er 2Var) -

E1052 Teaco Capital Ld 8% Cnv Cap Bds 2006(Reg E1) - E115 1<sub>2</sub> 1<sub>2</sub> 61<sub>4</sub> Teaco Capital Ld 8% Cav Cap Bds 10000 Capasi Ld 9% Catv Cap Bds 2005(8:55008:1000) - 2110<sup>1</sup>4 (BFa65) Themest Water PLC 9<sup>1</sup>2% Chr@ubordBds 2008(8:550008:55000) - 2112<sup>1</sup>4 <sup>1</sup>2 (7Fe65) Themest Water Utities Finance PLC 10<sup>1</sup>2% Gdd Bds 2001 - 2106<sup>1</sup>2 (BFa65) Si Group PLC 11<sup>1</sup>4% Gdd Bds 1998 (Br £10008:10000) - £104<sup>1</sup>2 (BFe85) Si International BV 7% % Gdd Bds 2003 (Br £ Var) - 281<sup>1</sup>2 htternacional Vall - SB1<sup>1</sup>2 Non Flactric Power Co Inc 7<sup>1</sup>8% Nts 1988

skya Bectric Power ( (Br £ Var) – 295% (7 (Sr £ Var) = 295% (7Fe95)
Treasury Corporation of Victoria 8% 6 Gid
Bds 2003 (Br £ Var) = 597.21
Turloy/Republic of 9% Bds 2003 (Br £ Var) =
1734; ½ (SFe95)
[Inited Kingdom 7½,% Bds 2002/Br\$Var) =
100.00 340.50 United Kingdom 6% Tressury Nts 27/1/ 96(BrECU Vars) - EC100.09 100.19 (3Fe86) Wellcome PLC 97c% Bds

Wellcome P.C. 92,% Bds
2006[9:210081000] - 2102% [8Fe95]
Yorkshire Secticity Group PI.C. 92,% Bds
2020[9:2] Yesis - 2101 Ad
Abboy National Tresumy Servas PI.C. Ghd FRN
1999[9:5Vgra) - 393.53 [9Fe95]
Dedatche Plandbrid-Had Hypo AG 2100m
83,% Debt has 301/2786 - 2100 68Fe95] Eurofitra ECU170m 9.125% Debt ins 20/12/ 99 - EC100% 100% (97693 Export Finance & Insurance Corp \$A100m 11% Debt ins 29/12/2004 - \$A101%

(7Fe05) M Finance S.V. \$650m 5.25% No. 9/12/96 esterreicheche Kontrollbank AG 2150m 8.375% Debt Secs 30/12/86 - 2100,4

(6Fe96)
Cutometand Treesury Corp \$A500000 5.75%
Nis 1/11/2001 - \$A77,087 (8Fe95)
\$848 \$C10m Fing Ris Nis 22/12/65 - 295%
\$848 \$C10m Fing Ris Nis 22/12/65 - 295%
\$848 \$C10m Fing Ris Nis 22/12/65 - 295%
\$848 \$C10m Fing Ris Nis 1976 5 976
\$849 \$C10m Fing Ris Nis 1976
\$849 \$C10m Fing Ris Nis 1976
\$849 \$C10m Fing Ris Nis 1972
\$87 - \$277 \$878 \$65
\$849 \$649 \$65 - 296%
\$849 \$659 - 296%
\$849 \$659 - 296% 94464994193077 og 5250m 7% haltuments 23/12/88 - 584/2 9446491940m og 5350m 75, % Bds 28/7/ 2000 - 594/2 (85e95) 2000 - 534\(\frac{1}{2}\) (8Fe95) Sweden@Grigdom of) ECU100m 7\(\frac{1}{4}\)6 Nts 2000 - EC85\(\frac{1}{2}\) (8Fe95)

Sterling Issues by Overseas Borrowers Asien Development Bank 10<sup>1</sup>4% in Sik 2008(Reg) - £111

eith of 11½% Ld Stk Australic Commonwealth of 11<sup>1</sup>2 % Ld Str. 2015 (Fleg) - £120<sup>1</sup>4 European Investment Bersk 9% Ln Str. 2001 (Fleg) - £181 (14g) - K181 Buropeun Investment Benk 9<sup>1</sup>2% Ln Sik 2009 - 2100,718,785 (§ .65.89.9.98,96 Buropeun Investment Benk 10<sup>3</sup>8% Ln Sik 2014(154.5.), 21345 2004(Plog) - £1164 Firshor(Fisphele of) 11½% Ln Stk 2000 (Flog) - £1174 (Fissh) Gibralter (Government of) 11244 - 50

- 5:1179 (8Fe85)

(Shreiter (Government of) 1179% Ln Stk 2005

(Rad) - 5:1189 (3)

International Sank for Rec & Dev 9'2% Ln

Stk 2010/Rog) - 5:0659 % (7Fe85)

International Sank for Rec & Dev 11.5% Ln

Stk 2003 - 5:115% (3) (8Fe85)

Malaysia 104% Ln Stk 2009(Reg) - 5:1072,

(3Fe85)

New Zealand 11'4% Stk 2009(Reg) - 5:177

(3Fe85)

Patroleous Mexicanos 14'2% Ln Stk 2006 -

Petroleos Medcanos 14<sup>1</sup>2% Ln Sik 2006 -£166 2:100 Portugel(Rep of) 0% Ln Stk 2016(Reg) -2:99½ (7Fe65) Tylnided 5 Tobego(Republic of) 12<sup>1</sup>e% Ln Stk 2008(Reg) - 2:107 (7Fe86)

Listed Companies(excluding investment Trusts) AAH PLC 4.2% Cum Prf £1 - 90 (8Fe05) ABF Investments PLC 5<sup>1</sup>2% Uns Ln Sik 87/ 2002 50p - 39 2002 50p - 39 ABF Investments PLC 7<sup>3</sup>2% Uns Ln Sik 67/ 2002 50p - 44 API Group PLC 3.85% Cum Prf £1 - 64

ren croup PLU 3.85% Cum Pri 21 = 64 (6Fe69) ASH Capital France(Jersey)Ld 9<sup>1</sup>2% Crv Cap Bds 2006 (Reg Units 100p) = 550 80 .03 Aptrust Atles Fund Site of NPV(Sterling Port-loto) - £1.025 (SFe05)

FT-SE ACTUARIES INDICES

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ŧ,

Artist Maleysian Growth Fund(Caymer)Ld Ord \$0.01 - \$12 12.05 (7F465) Airlow Streemines PLC 10% Cum Pri £1 -

100¢ Albert Fisher Group PLC ADR (10:1) - \$5.98 Alexen Group PLC 8.25p (Net) Cnv Cum Red Prf 10p - 57 Alfed Domecq - 07 necq PLC 64,% (Jms Ln Stk - 254 Comea Domacq PLC 5<sup>1</sup>, % Una Ln Sik - 254 (BF465) Allied Domacq PLC 7<sup>1</sup>, % Una Ln Sik 93/96 -134<sup>1</sup>; Allied-Lyono Financial Services PLC6<sup>1</sup>k % GtdCm9xbordBds2005 RegMx/H21000 -254<sup>1</sup>;

GitGrivBubordBds2008 RegMatti21000 - 294<sup>3</sup>2
Alled-Lyons Pinencial Services PLGS<sup>3</sup>4% Gid Criv Subord Bds 2008(Br S Var) - 294<sup>3</sup>2
(37698)
Alvie PLC 5.6% Criv Cum Non-Vig Red Pri 21 - 78 (37698)
American Brands Inc Sits of Com Six 33.125 - 393<sup>3</sup>24 <sup>3</sup>26
Andrews Sylvas Group PLC Criv Pri 50p - 88
Anglien Water PLC 5<sup>3</sup>2% Index-Linked LnStx 2008(3.2840%) - 2(30<sup>3</sup>2)
Anglo-Sixtem Plantations PLC Werrants to sub for Ord - 31 (67685)
Arcolectric(Hdgs) PLC Ord Sp - 165 6
(67685)

(67465) Armour Triest PLC 10<sup>1</sup>2 % Une Ln Stk 91/96 -139<sup>1</sup>2 (67465) Asproy PLC 6<sup>1</sup>2 % Cum Pri 21 - 52 9<sup>1</sup>2 Assim PLC 8.25% Cum and Pri 21 - 77
Austin Reed Group PLC 8% Cum Pri 21 - 80
Automated Security/Ridgal PLC 6% Cnv Cum
Red Pri 21 - 40
BAT Industries PLC ADR (2:1) - \$14.26
BET PLC ADR (4:1) - \$55, 7.667 %
SOC Group PLC ADR (1:1) - \$11.3
SOC Group PLC 124;% Une Ln Set 2012/17
- <1974.66

21264(0) P PLC 7.5p(Net) Chy Cum Red Prf 10p = 179 (Bred5)
BTR PLC ADR (4:1) - 819.42 (The95)
BTR PLC ADR (4:1) - 819.42 (The95)
Bank of Internal Governor & Co of) Units NCP
Sit Sts A £1 8 E9 Liquidation - £119.40
Bank of Internal Governor & Co of) Units NCP
Sit Sts A h£18/hC9 Liquidation - I£11

ner Homes Group PLC Ord 10p - 1034 Mays PLC ADR (4:1) - \$37.63 (7Fe65) Bernins Homes Group PLC Crit 10p - 1039 Berclins PLC ADR (4:1) - 857 25 (7F-65) Berclins Beric PLC 12% Uns Cap Ln 80: 2010 - 2117½ (SR-65) Berclins Beric PLC 16% Uns Cap Ln 80: 2002/07 - 2134½ (8F-65) Berdon Group PLC 7.25p (Net) Cnv Red Pri 25p - 79½ (7Fe/6) Berdon Group PLC 11.25p Curn Red Pri 2008 10p - 90 Serion Group PLC 11.25p Cum Red Pri 2006 10p - 90 Berings PLC 8% Cum 2nd Pri £1 - 61 2

(/Fe95) Burings PLC 93,% Non-Cum Pri £1 - 1173, Barrato Exploration Ld Ord R0.01 - 150 (87405) Barr & Wallace Arnold Trust PLC Ord 25p -Serr & Wasses Artold Trust PLC Ord 25p -217 (77-92) Sees PLC ADF (2:1) - \$16,226 Bass PLC 10<sup>1</sup>/<sub>2</sub>% Deb Stx 2018 - 2112,7626 B 3Å 2 (77-685) Sees PLC 4<sup>1</sup>/<sub>2</sub>% Uns Ln 9tk 92/97 - 280<sup>1</sup>/<sub>2</sub> 675-673 (87e85) less PLC 7<sup>1</sup>4% Uns Ln 9tk 92/97 - 996<sup>1</sup>2 /95-063 

torgenen d-y AS "B" Non Vig Sits NIC2.5 -NIC149 12 Smithgham Midehines Building Soc 83/2% Perm Int Bearing She \$1000 - £96 1<sub>2</sub> 1<sub>4</sub> anta 80-96) Blue Circle inclusives PLC ADR (1:1) - \$4.28 (85-96) Soddington Group PLC 4% Deb Stk Perp -245 Boddington Group PLC 9<sup>1</sup>2 % Une Ln Stk 2000/05 - 139 Boddi-Herry 8 Sons PLC Cum Pri (5-25%) 11 - 67 (6Fe66)

- 67 (9f-96) Boots Co PLC ADR (2:1) - \$15.05 (9f-96) Bradford & Bingley Building Society11<sup>3</sup>96 Perm Int Bearing Sta £10000 - £13<sup>3</sup>2 (7f-969) Bradford & Bingley Building Society1396 Perm Int Bearing Sta £10000 - £125<sup>3</sup>4 (7f-965) Brant International PLC 996 Cum Red Pf £ Brant International PLC 996 Cum Red Pf £ (7Fe85)
Brunt International PLC 996 Cum Red Prf £1
- 96 (7Fe86)
Brunt Walker Group PLC Was to Sub for Ord
- 0-4; BF985)
Brunt Walker Group PLC 8.5% 3-6 Non-Cum
Cnr Fled 2007/10 £1 - 1 (8Fe85)
Bristol Walker PLC 8-1/4% Cum Ind Prf £1
- 115% (7Fe85)
Bristol Walker Hdge PLC Ord £1 - £10.3 ter Hidge PLC Ord £1 - £10.3

Bristol Water Hidge PLC Ord £1 ~ £10.3 (77:95)
Bristol Water Hidge PLC 6.75% Curn Crw Red Pri 1998 She £1 ~ 190 (77:95)
Bristol 8 West Buiking Society 135,5% Perm Int Besering She £1001 ~ £12:74, 84
Britannia Buiking Society 139; Perm Int Besering She £1000 ~ £12:42
British Arways PLC ADR (10:1) ~ \$5937, 80% \$1,2
\$1,2
British Arways PLC ADR (10:1) ~ \$5937, 80% \$1,2
British-Arways PLC ADR (10:1) ~ \$1,2
British Arways PLC ADR (10:1) ~ \$1,2 -78 \*2 ritish-American Tobacco Co Ld 896 2nd Cum Pri Sot St = 64 hitish Pittinga Group PLG 5.516 Cav Red Pri £1 - 64 British Lund Co PLC 6% Subord Ind Cav British Land Go Face State British Land Go Face State British Mohair Hidge PLC 996 Bed Cum Pri(1995)C1 - 110 (87-605)
British Potroloum Co PLC 896 Cum 1st Pri E1

Petroleum Co PLC 9% Curt 2nd Prf oh Shot PLC ADR (10:1) - \$234 .95 % % British Steel PLC AOR (10:1) - \$234, 95 % % .865 % 4.01, 02 % British Sugar PLC 10% % Red Dab Stk 2013 - £114% Peodetoner Hidge PLC 4.2% (Fmty 6%) Cum Prf £1 - 57 (7Fe65)

Carri Per E1 - 57 (Tre85) Brunal Holdings PLC 4.5p (Net) City Cum Bad Pf 20p - 642 Bulgin(A-F.) 8 Co PLC Ord Stas 5p - 65 (Tre85) Bulgin(A-F.) Hidge PLC 84, % 2nd Cum Pf E1 - 1042; (8Fe85) er(H.P.)Hidgs PLC 8<sup>1</sup>2% Cum Prf &1 -110 (8Fe65) Burzi PLC 7% Cav Uns Lr: Stk 96/97 - £98 (8Fe05) Burmah Castrol PLC 7<sup>1</sup>2% Cum Red Prf £1 -

Trottenhum & Gloucester Build Sec 111496 Perm Int Beering She 250000 - 2:164 (7FeS5)

y ress) Chepetow Rececourse PLC Ord 23p - 88<sup>2</sup>g (\$F485) Cayhithe PLC 9.5% Subord Ony Uns Lin Stk 2000/01 - 530 1 01 - 590 1 nd Place Holdings PLC 3% % and Deb Gleveland Place Holdings PLC 24,% Ind Deb Six - £384, (3Fe65) Costs Patons PLC 64,% Uns Ln Six 2002/07

Costs Patons PLC 94% Uns In Str. 2002/07
- 532
Costs Viyelia PLC 4.9% Uns In Str. 2002/07
- 532
Costs Viyelia PLC 4.9% Curn Prf 51 - 84
Cohen(A) & Co PLC Non.V "A" Ord 20p - 460 (7Fe85)
Commercial Union PLC 83-8% Curn Irrd Prf 51 - 104; 54-11
Commercial Union PLC 83-8% Curn Irrd Prf 51 - 1164; 13-1164, 13-11

Covering Building Society 12<sup>1</sup>/<sub>2</sub>19 Perm Interest Bearing Sins 21000 - 2114<sup>1</sup>/<sub>2</sub> <sup>1</sup>/<sub>4</sub> 5 Crays Europe Ld 5<sup>1</sup>/<sub>2</sub>19 Cum Pri Sit 21 - 47 (SF660)
Crode International PLC 5.9% Cum Prf £1 - 73 (SF665)
Crode International PLC 5.6% Cum Prf £1 -82 (CF-605) Daily Med & General Trust PLC Ord 50p -£14.1 De Ln Rue PLC 2.45% Cum Prf Stk £1 - 44

(87695)
Debenhams PLC 714% 2nd Deb Stk 91/96 - 597 (87695)
Debenhams PLC 714% Una Lri Stk 2002/07 - 5942 (77699)
Debenhams PLC 714% Una Lri Stk 2002/07 -Debenhame PLC 71-5% Una Lir Str 2002/07 - 236 1-2 Denotra PLC 8.25% Cum Criv Red Pri S1 - 106 (87-65) Denotrata Group PLC 9.75% Cum Pri S1 - 108 Prf 5p - 90 ((Fetts) El Oro Mining&Exploration Co PLC Ord 10p -575 tron House PLC 7.5% City Cum Red Pri £1 - 1100 E800(\$3.) PLC 3.18% Red Cum Pr(2000)£1 -60 Bys(Wimbledon) PLC Ord 25p - \$4.98 (3Fe85)

Erress PLC 8.25p(Net) Crw Com Red Prf Sp - 71 Empire Stores Group PLC 94:% Deb 3tk 94/ 99 - 2:00<sup>1</sup>4 (7fe89) English Chira Gleys PLC AOR (3:1) - \$16.66 (7fe88) (7700) Enterprise Of PLC 11½% Une Ln Stk 2016 -£117<sup>1</sup>4 (SFe85)

Enterprise CB PLC 11½% Une Ln Six 2016 - 21174 (67-62) 
Enterprise Military Committee Congress of Spring Strice Security Military Committee Commit

28.02 26.05 Lirohunnel PLC/Eurotumnel SA Unite (Scower Instatute) - FR25.45 .87 .87 .9 .92 .95 .95 .97 8 6 .008333 .95 .0504 .9 .1 .1 .1 5 1 5 16 .2 2 Exploration Co PLC Ord Set 5p - 230 45 Fe85) con Holdings PLC Ord 5p - 120 (7Fe85) buClemes(PLC 4.2% Cum 1st Pri Stk 21 . 61 (3Fe85)
First National Building Society 11<sup>1</sup>4% Perm Int Bearing She £10000 - £102<sup>5</sup>4¢
First National Finance Corp PLC 7% Chv Cum Red Prf £1 - 119 20 ½ 56 1½
Financ PLC 450 (41) £5 23 Figure PLC ADR (4:1) - \$6.83 Foliate Group PLC Ord 5p - 45 (7Fe95) Forte PLC 9.1% Une Ln Six 95/2000 - £96 Fuller,Smith & Tumer PLC 8% 2nd Cum Prf

E1 - 92 (SFe85) GKN PLC ADR (1:1) - \$9.05 (8Fe65) GN Great Nordic Ld She DK100 - DK315.265 (ST-985) GN Great Nordic Hidge Ld She DK100 -DK501,75625 (BF-965) G.R.(Hidge) PLC 10<sup>1</sup>2% 2nd Cum Prf £1 - 93 PE-98 G.T. Chile Growth Fund Ld Ord \$0.01 -Accident PLC 77/1% Cum ind Pri St General Accident PLC 874 % Cum and Prf £1

General Account PLD 34 % Curt and PT 21 - 112 ½ ½ General Bactric Co PLC ADR (1:1) - \$4.7 (Fe03) Gibbs 8 Dendy PLC Ord 10p - 89 General Group Ld 64,% Unit Ld 50k 85/95 50p - 48/2 - 46½ codined Group PLC 7% Cnv Cum Red Pri £1 - 75 (17465) Brand Metropolitan PLC 6½% Cum Pri £1 -21 - 73 (F465)
Grand Metropolition PLC 61, % Cum Prf £1 - 67 (67-66)
Grand Portland Estates PLC 9.5% 1st Mitg Deb Sik 2019 - £103/2 42
Grant Universal Stores PLC 55/3% Red Unis Ln 3th - £20 (67-68)
Greensite Group PLC 61% Cum Prf £1 - 105
Greensite Group PLC 611/2% Deb 3tk 2014 - £11/2 (77-66)
Greensite Group PLC 616/4% Intel Unis Ln Sit - 67-68-68

Greenelle Group PLC 9<sup>1</sup><sub>5</sub>% Ind Uns Ln Sik -200 (85-66)

Greenilla Croup PLC 91<sub>2</sub>% Into Una Ln Stk - 200 (Frieds)
Group State Group PLC 7% Chy Subord Bde 2003 (Reg) - 21061<sub>2</sub>6
Greenilla Group PLC 9.5% Chy Una Ln Stk 1995 - 8190 (Srees)
1995 - 8190 (Srees)
Guinness PLC ADR (6:1) - 533.1
HSSC Hdgs PLC Ond 9110 (Hong Kong Reg - 63.71 9178-46782 2081588 338
- A94353 .842132 .808424 60.119 .150387
2 2 .35 .55 / .85 .55 .6
HSSC Hdgs PLC 11.89% Subord Bds 2002 (Reg - 535 100 3 94
HSSC Hdgs PLC 11.89% Subord Bds 2002 (Reg - 525 100 3 6)
HSSC Hdgs PLC 11.89% Subord Bds 2002 (Reg - 525 100 3 6)
HSSC Hdgs PLC 11.89% Subord Bds 2002 (Reg - 525 100 3 6)
HsSC Hdgs PLC 11.99% Subord Bds 2002 (Reg - 525 100 3 6)
HsSC Hdgs PLC 11.99% Subord Bds 2002 (Reg - 525 100 3 6)
HsSC Hdgs PLC 11.99% Subord Bds 2002 (Reg - 525 100 3 6)
HsSC Hdgs PLC 10.99% Pam Int Bearing Shs 950000 - 2081<sub>2</sub> 12
Hsilfor Building Society 12% Pam Int Bearing Shs 950000 - 2081<sub>2</sub> 12
Hsilfor Building Society 12% Pam Int Bearing Shs 950000 - 2081<sub>2</sub> 12
Hsilfor Holdings PLC Ord 5p - 657 7 8 (8-65)
Hartwas A Harsons PLC Ord 5p - 256 (8-655)
Hartwas A Harsons PLC Ord 5p - 256 (8-655)
Hartwas A Harsons PLC Ord 5ft - 2500
(SFe05)

teators inc Site of Corn Sitk S0.50 - \$29% (7FeSS) ere Estates PLC 1032% 1st Mig Deb Sek 2016 - £109<sup>1</sup>2 (7Fe95) Hewitt Group PLC 10% Cum Prf £1 - 88

Hewart Group PLC 10% Care Pri £1 - 88
(7Fa85)
Higgs 8, Hill PLC 7% Care Pri £1 - 60
(\$Fa85)
Hilliadown Hidgs PLC ADR(4r1) - \$10.7
Holmes Protection Group inc She of Core Ste
\$0.25 - 26 (6Fe85)
Home Housing Association Ld Zère Con Le
Sit 2007 - 425
Home Housing Association Ld Sèr% Gid Le SH; 2027 - 425 Home Housing Association Ld 81; % Gad Ln Sh; 2037 - 597, 17, 22 Housing Finance Corporation Ld 5% Deb Six 2027 - 582; 2 Housing Finance Corporation Ld 1112; % Deb

Founing Finance Corposition Lis 11<sup>1</sup>2% Deb 58t 2016 - C115<sup>1</sup>g .69 S Himelayen Pund NV Ord FL0.01 - \$13<sup>7</sup>g .9 4 .05 .05 <sup>1</sup>g .2322 .2676 <sup>3</sup>g <sup>1</sup>g celand Group PLC Criv Cum Red Pri 20p -125 6 <sup>1</sup>g .56 fingworth Monts Ld 9<sup>1</sup>2% Cum Pri 58t £1 -Ringworth, Monts La e-2. 52 (5F-95) Ringworth, Monts La 6<sup>1</sup>2 % Cum 2nd Pri Sik Ingworth, women to e-2 to -2 t

139 9 Intl Stock Bechange of UKERap of IrLd 74% Mitg Data Sitt 90/95 - 1292 2 (6Fe95) Irish Lise PLC Ord N20.10 - 121,86 Jackson(William) & Son PLC 72,76 Com Pri scleon(William) & Sort PLF (\*2% Goni Fri E1 = 68 (87:455) Jurdine Matheson Holgs Ld Ord \$0.25(8er-mudst Register) = 25.08 (87:483) Johnson & Firth Brown PLC 11.05% Cum Pri

Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p - 125<sup>1</sup>/<sub>2</sub> Johns, Strough Hogs PLC 10% Cum Prf £1 -130 (7F-965) Kelsey Industrias PLC 11<sup>1</sup>/<sub>4</sub>56 Cum Prf £1 -113 25 (7F-965) Kingeley & Forester Group PLC 3.85% Cum Prf £1 - 50 (3F-965) Kores-Europe Fund Ld ShellDR to Br) \$0.10 (Cpn 7) - 54000 4087<sup>1</sup>/<sub>2</sub> 4112<sup>1</sup>/<sub>2</sub> 4125 4125 4137<sup>1</sup>/<sub>2</sub> 4200 Lackbrotes Group PLC ADR (1:1) - \$2.67 2.72 (7F-965) group Cleaners PLC 7.5p (Net) C

(77:095)
Limd Socurities PLC 61/476 1xx Ning Deb Silk 93/98 - 232 (77:425)
Limd Socurities PLC 63% 1xx Ning Deb Silk 96/2001 - 21001/2
LASMO PLC 101/476 Deb Silk 2000 - 21051/4

(3Fe95) Lathern James) PLC 8% Cum Prf £1 - 73 Lament, Juneary PLC 376 Court PT £1 - 73 (SFe85) Lebows Profesan Mines Ld Ord 190.01 - 70 Leods & Holbock Building Society 133-96 Perm Int Bearing Stre £1000 - £1255 7 Leods Permants Building Society 135-95 Perm Int Bearing £50000 - £1265 ½ (7Fe85) Lewis(John)Partnership PLC 576 Cum Prf Sis

(7Fe85)
Lewist Lottin Partnership PLC 5% Cum Prf Str. 21 - 60 (8Fe86)
Lewist Lottin Partnership PLC 7½% Cum Prf Str. 25 - 75 (7Fe85)
Lex Service PLC 6½% Cum Prf 21 - 61
Liborty PLC 6% Cum Prf 21 - 63 (8Fe85)
Loritwert PLC Criv Cum Red Prf 20p - 58½
(8Fe85)
Loritwert PLC Criv Cum Red Prf 20p - 58½
(8Fe85)
Loritwert PLC Criv Cum Red Prf 20p - 58½
(8Fe85)
Loritwert PLC 6% Prf[Cumi[C1 - 55 (8Fe85)
Loritwert PLC 6% Cum Pled Prf 20p - 151
Lorito PLC ADR (1:1) - \$2.57
Looiters PLC 8% Criv Cum Red Prf 21 - 111
(8Fe85) (SFe05) MEPC PLC 3.05% Cum Prf Stk £1 - 90

(25-665) · MEPC PLC 9<sup>3</sup>4% 1st Mtg Deb Stk 97/2002 = MEPC PLC 104% 1st May Deb Stk 2024 -2119 (7Fe65) MEPC PLC 0% Une Ln Stk 2000/05 - £93<sup>1</sup>2

(87-66)

IncCarthy & Stone PLC 8.78% Curn Red Pri 2003 £1 - 89

McCarthy & Stone PLC 7% Cnv Uns Ln Stk 98/04 - £84\$

McCarthy & Stone PLC 7% Cnv Uns Ln Stk 98/04 - £84\$

McCarthy & Stone PLC 7% Ord k£01.10 - £80.05

Mandarth Orientel International Ld Ord \$0.05

Hong Kong Reg) - \$149.82

Manganese Bronze Hdge PLC 63-% Curn Pri 51 - 74 (77-65)

Marie & Spencer PLC ADR (£1) - \$36.8

37.78

Prif 21 - 74 (77695)
Marie & Spenoer PLC ADR (8:1) - 636.8
37.78
Maddow PLC ADR (4:1) - \$10.77
Marzinel, lobring PLC 0% Cum Prif 21 - 111
(87-95)
Marchant Retail Group PLC 6% 66 Una Ln 8tk
59/04 - 530.6
Marchant Retail Group PLC 6% 66 Una Ln 8tk
59/04 - 530.6
Marchant Retail Group PLC 6% 66 Una Ln 8tk
59/04 - 530.6
Marchant Ln 8tk
59/04 - 530.6
Marchant Bank PLC 1-4% Subord Una Ln 8tk
2002/07 - 512%
Maunt Christolle Investments PLC 10% 1st
May Deb Six 2014 - 5105/6 (77-669)
National Power PLC ADR (10:1) - 573%, 75%
(87-66)
National Westminister Bank PLC 16% NonCum Sitig Prif Size "A" 51 - 116% 7 %
National Westminister Bank PLC 12%
Subord Una Ln 8tk 2004 - \$116% 8
Newcaste Burking Society 12% 78 Perm
Interest Bearing She \$1000 - 5120%
(87-69)
News Interestional PLC 4.8% (Finby 7%) 1-1

Interest complete the complete News International PLC 6% 2nd Cum Prf 21 - 71 ½ (57-65)
Next PLC 10% 5" Cum Prf 50p - 45 (67-65)
Northern Rock Building Society 12% 6 Parm Int Bearing Shis 21000 - 2121 ¼ (67-65)
Orbis PLC Ord 10p - 20
P & O Property Holdings Ld 9% Uns Ln Stk 97/99 - 324
PSTT PLC 8% Cum Prf 21 - 99
Pacific Ges & Sectric Co Shis of Com Six \$5 - \$25,273\$\$
Partitle Securities PLC Was to sub for Ord - 77 (67-655) 77 (6Fe65) Parktand Group PLC Ord 25p = 168 4 Parktand Group PLC 4.2% Cum Prf 21 - 54

(3Fe95) Patinton Zochonis PLC 10% Cum Prf £1 -116<sup>3</sup>z (8Fe95)

Ĭ.,

Peel Hidge PLC 97<sub>8</sub>% 1st May Deb Stk 2011 - 539*h*, 45 (87e85) Peel Hidge PLC 5.25% (Net) Cres Curn Non-Vig Pri \$1 - 90 (7Fe65) leel South East Ld 10% 1st Mig Deb Sik 2026 - 297 k \$ 8 k \$ Vito Pri 21 - 80 (7Fe Purfusular & Cricolot Steam New Co 5% Cum Pid Str - ES4 (FedS) Parldus Foods PLC SofNet Cum Cav Red Pri 10p - 87 10p - 67
Petroline S.A. Ord Sta NPV (Br in Denote 1,5
a, 10j - 878299.21 300 40 451.29
Pitteria P.C. 9/2% Curn Prf E1 - 88 (FreeS)
Petrolion & General Invit P.C. Werzents to
sub the Ord - 1 (\$FeS)
Plantation & General Invit P.C. 9/2% Curn
Red Prf E1 - 949
Potgleterarust Pattrums Ld Ord P0.025 - 450

(SF405) OWNGEN PLC ADR (10:1) - \$811 (SF405) miss Health Group PLC Ord 1p - 11/2 Peanter Health Group PLC Ord 1p - 1<sup>1</sup>c (EF605)

Quarto Group Inc 0.75pfNet CnvCumPecShs of Pid Sik 30.10 - 130 2 4 5 (F693)

Quabec Caracal Relieva Co 1st Mrg Deb Sti(flet by C.P.) - 263

Rus Maining PLC Ord 1p (RFD-1/165) - 311 4

RMH Ld 475 Unis Ln Sik 2004/09 - 2336

RMH Ld 975 Unis Ln Sik 2004/09 - 2336

RMH Ld 975 Unis Ln Sik 392/2004 - 2365

RTZ Corporation PLC 3.32596 "A" Cum Pri Si - 53 stronica PLC ADR (2:1) - 56%

perisation PLC ADR (2:1) -\$11% Rank Organization PLC ADR (21) -311½ (8F693)
Recidit 8 Colomin PLC 6% Cum Pri £1 - 54 (8F693)
Recidit 8 Colomin PLC 3.1594Fmty 4½96)
Cum Red Pri £1 - 45 3.85% (Prity 6½%)
Cum Red Pri £1 - 35½ (8F695)
Renoid PLC 61% Cum Pri 58 £1 - 55 (8F695)
Renoid PLC 61% 1 1st Deb 50% 90765 - 250 Retell Curporation PLC 4.95% (Prity 6½%)
Cum Pri £1 - 65 (8F695)
Retail Curporation PLC 4.259% (Prity 6½%)
Cum 2nd Pri £1 - 65 (8F695)
Retail Curporation PLC 4.56% (Frity 6½%)
Cum 2nd Pri £1 - 65 (8F695) Cum Swi Dwi 21 - 65

Ann arg PT 51 - 99 Rohr inc She of Cum Sik S1 - \$10,845@ Ropher PLC 11½% Cum Prf £1 - 119 (7Fe85) (77-665)
Rotark P.LC 91-2% Cum Prf E1 - 107 (77-665)
Rotark P.LC 91-2% Cum Prf E1 - 107 (77-665)
Rotar Prf 1p - 50.51
Royal Bank of Scotland Group P.LC 51-2%
Cum Prf E1 - 50 77 (87-665)
Royal Bank of Scotland Group P.LC 11%
Cum Prf E1 - 112 51-2
Royal Royal Price P.LC 71-4% Cay reusence Holdings PLC 714% Criv and Bds 2007 (Br & Ver) - £16114 214

(BF-99)
Rugby Group PLC 6% Uns Ln Stk 93/96 - 289% (7F-95)
Seatch! 6 Seatch! Co PLC ADR (St.) - \$5.025
½ (7F-95)
Seatch! 6 Seatch! Co PLC ADR (St.) - \$5.025
½ ½ (7F-95)
Seatch! 6 Seatch! Co PLC ADR (St.) - \$5.025
½ ½ (7F-95)
Seatch of State PLC 7.25p (Net) Cnv Cum
Red Pri 20p - 52
Constronte Hidge PLC 7.25p (Net) Cnv Cum
Red Pri 20p - 52
Constronte Hidge PLC 7.25p (Net) Cnv Cum cartonic Hidge PLC 0.76% One Cum Red Prf 21 - 42 (6/695) Scholl PLC 514% One Cum Red Prf 2006/11 21 - 68 (cottish Life Assurance Co 71<sub>8</sub>% Una Ld Six 97/2002 - 280<sup>5</sup>2 (87-605) (cottish 8 Newcustin PLC 4.6% Cum Pri 21

- 71 (7Fe/5) Scottish & Newcostle PLC 7% Cnv Cum Prf £1 - 222 (3Fe/5) Sears PLC 4.9% (Fmly 7%) "A" Cum Prf £1 -70 Sears PLC 714% Uns Ln Sit 92/97 - 2051<sub>2</sub> 8 (aFe83) Securitor Group PLC 4.55% Curn Pig Pri S1 - 21836 Securitor Group PLC 4.55% Curn Pig Pri S1 - 21836 Severn River Crossing PLC 0% Index-Linked Deb Sit 2012 (8.46693 - 21172 (87663) Shanghail Fund Cayman) Ld Pipg Sha 80.01 - 391<sub>6</sub> (67685) Shell Transport&TrackropCo PLC Ord Sha (81) 256 (Con 1930 - 7151<sub>2</sub> (87665) Sheld Group PLC Ord Sp - 131<sub>2</sub> (87665) Sheld Group PLC 6.84% (Net) Criv Curn Red Pri S1 - 14

Sidiew Group PLC 712% Uns Ln Sik 2003/06 - 280 (77685)
Signet Group PLC ADR (3:1) - 20.6 (37685)
Signet Group PLC ADR (3:1) - 20.6 (37685)
Signet Group PLC 4.2% (7719 6%)
Cum Prf 21 - 50 (37685)
Singer & Friedlander Group PLC 8.5% Criv
Subord Uns Ln Stt. 2009/14 - 21.06.7%

800 Group PLC 3.15% Cum Prf E1 - 40 Skipton Building Society 127/16 Perm Int. Bearing She £1000 - £120% 1 2 2 Sonith New Court PLC 12% Subord Une Ld Six 2001 - £1041<sub>2</sub> 1<sub>4</sub> (7Fe95) Smithkline Beecham PLC ADR (5:1) - \$38.27

A Smithidine Beachem PLC/Smithidine ADR (6:1) - £23.6568 23.7942 & 36.855 % 7 ,996707 7,23 1 South Stationastics Water PLC 91496 Red Deb Stk 98/2000 - 23914 (7Fe95) Sundard Chartered PLC 127-16 Subord Una Ln Stk. 2002/07 = £114<sup>1</sup>2 (7Fe95) Stelling Inclusivies PLC 1st Pri[5<sup>1</sup>2% Cump£1 - 55 (BF=65) T & N PLC 113,% Mtg Deb Stk 95/2000 -E101<sup>1</sup>/<sub>2</sub> (7Fee5) TSB Git Fund Lig Ptg Red Pri 1p(Cleas\*A\* Ptg Red Pri) = 101.7 (8Fe85) 7SB Group PLC 10<sup>5</sup>/<sub>8</sub>% Subord Ln Sik 2008

158 Greep PL: 10-1-9 Support Lift SIX ZUR = 21092 TSS Offshore her Fund Lid Phy Red Pri 1pPart Americant Classis - 455.53 Tate 3, Lyle PLC ASR (471) - 2179 Tate 3, Lyle PLC ASR (471) - 2179 Tate 3, Lyle PLC ASR (471) - 2179 239<sup>1</sup>2 (7Fe95) Tate 8 Lyle PLC 10<sup>1</sup>4% Uns Ln Stk 2003/08

= 2107 ½ Talawart Constructions PLC ADR (10:1) -\$23 ½ ½ ½ ½ ½ ½ % % Tennosco Gas Pipeline Co 10% Stig/\$ Cav

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Teeto PLC ADR (1:1) - \$3.98 Teeto PLC 4% Una Deep Dier Ln Sik 2006 me Fund Ld Ptg Red Prf \$0.01 -(PA) Sae(Deniel) PLC 5% tet Cum Pri 210 -

Charge Threates PLC 5H tet Cum Pri 210 - 525 (F465)
Total (F405)
Total (F400) PLC 44;% Perp Deb Sit - 248 (F466)
Total Entates PLC Was to sub for Ord - 19 (F466) Tops Estates PLC Was to sub for Ord = 19 (Free8)
Tops Estates PLC 10<sup>1</sup>/<sub>2</sub>% tat king Deb Sik 2011/10 = P105<sup>1</sup>/<sub>2</sub> (Free8)
Town Centro Securities PLC 9% Criv Utes Ln Sit 96/2000 = 9270 (differs)
Training House PLC 5.575% Com Pri E1 = 77 referent House PLC 7% Une Deb Six £1 =

72
Trabigar House PLC 8% Una Ld Six 94/98 - 292/2 (77-95)
Trabigar House PLC 9<sup>2</sup>/<sub>2</sub>% Una La Six 2000/ 05 - 295/2
Trabigar House PLC 10<sup>1</sup>/<sub>4</sub>% Una La Six 2001/05 - 295/2 (97-95)
Transgalaritic Holdings PLC 8 6% Cnv Pd S1 - 28 <sup>1</sup>/<sub>4</sub> - 28 <sup>1</sup>/<sub>4</sub> - 28 <sup>1</sup>/<sub>4</sub>

- 88 ½
Transport Development Group PLC 9½%
Una Ln Sik 95/2000 - 289½ (77-895)
Triplant Lived PLC 389% (Freiby 5½%) Cum
Pri St - 55 & (SFe85)
Unigate PLC 487% (17.1) - 55%, (6Fe85)
Unigate PLC 487% (17.1) - 55% (6Fe85)
Unigate PLC 6½% (17.1) - 15% (67/97 - 522½
(6Fe85) e65) ver PLC ADR (4:1) - 878.05 (7Fe85) n International Co PLC 6% Cum Pri Str Union international Co PLC 7% Cum Pri Sik ET = 55 Unitarya Corp. Corn. Std. \$0.01 = 36.3 (BF-669) Unitsed Plentations Adres Let Ord R0.50 = 20.2 Utility Cable PLC Wassants to sub for Ord = 13 Group PLC 412% A Com Prf E1 - 493

Valux Group PLC 4<sup>1</sup>2% A Corn Pri £1 - 49<sup>5</sup>; 50 (Freiß) Valux Group PLC 9.875% Deb Six 2015 -£705§2 7 (8Feil8) Valux Group PLC 10.75% Deb Six 2016 -£114°s (8Feil8) Victors PLC Ptd 5% Stic/Non-Curn) - 245 #Feil80 (DFe65) Iclans PLC 5% PriPico-CumiStk £1 -45 678-679 PLC 576 Fundamental Lines 678-679 McCare PLC 576 Coun(Tax Pres To SOp)Frf 50t 21 - 70 Volations Group PLC ADR(10:1) -599,799007 ,599 30 .048998 .22 .228982 14 14

14 14 Whaten Industrial Hidge PLC 7.25p (Net) Orw Pig Pd 10p - 131 Walter(Thomas) PLC Ord 5p - 31 (9Fe99) Wastung (S.G.) Group PLC 75g% Com Pd 21 - 1059 Verburg (S.G.) Group PLC Onv Dtd 25p -485 5 (6Fe93) 485 5 (BFeB5) Wetmoughethidge) PLC 8<sup>1</sup>4 % Cum Red Prf 2006 51 - 99<sup>1</sup>2 (7FeB5) Melcorne PLC ADR (1:1) - \$15<sup>7</sup>6 8 Welle Fergro 8 Company She of Com Sk 85 -

\$1547s Westland Group PLC 127s% Deb Stk 2008 -£1187s\$ 1st\$ Whiteward PLC 47s% 2nd Cum Prf Stk £1 -Militres PLC 4727 CCC Pri Stk 21 - 67 82½ (6Fe95) Militres PLC 6% 3rd Com Pri Stk 21 - 67 Militres PLC 7% 3rd Com Pri Stk 21 - 72

ed PLC 4<sup>1</sup>2% Red Deb Str 99/2004 -2/3 (87465) Mathread PLC 5%% Ind Una Ln 88: - 881% (77466) (77693)
Whitmard PLC 7½% Lins Ln Sik 95/99 - 992½Ф
Whithread PLC 7½% Lins Ln Sik 95/2000 - 290 (77693)
Whithread PLC 16½% Lins Ln Sik 95/2000 - 2102∯
Whithread PLC 16½% Lins Ln Sik 2000/05 - 2102∯
Whitmard PLC 5.1% Cum Prf £1 - 56
(27625)
White Corroom Group PLC ADR (5:1) - 210.854538Ф
Wreshert Water PLC 3½% Cons Deb Sik - 235 837693

235 (3Fe85) Vyevale Garden Carares PLC 8,5% (Net) Cnv Wyerdie Gerden Carman Cum Red Prf £1 = 146 (SF-65) Xerox Corp Com Stt \$1 - \$1074 C Weromte \$ ock Wellerworks PLC Warrante to sub for Ord - 200 (SIFARS) orkshire-Tyte Teas TV Hidgs PLC Wits to sub for Ord - 257

Yale Cutto 8 Co PLC 1112% Cum Red Prf 1986/2003 £1 = 110 (6Fe65)
Zemble Consolidated Copper Mines Ld"B"
Ord K10 = 170\$

Investment Trusts BTW Endowntent Fund Ld Recompile Ord 1p - 102 3/2 (SFeSS) Ballie Gafford Japum Trank PLC Wha to Sub Ord She - 514; Ballie Gafford Shan Napon PLC Warrants to sub for Ord - 52/2¢ Ballie Gafford Shan Napon PLC Warrants to sub for Ord 2005 - 80 (FreSS) Bankers investment Trank PLC 10/2% Deb Sht 2016 - 5113 (FreSS) Barfor Tribuns investment Trank PLC 0/2% Deb Sit 2012 - 2161/2 (SFeSS) Billieh Austella Trank PLC Equities Index ULS 2005 100 - 148 867685

British Assets Trust PLC Equities Index UL: 2005 10p = 148 (6Fe85) British Empire Sec 5 General Trust 10<sup>3</sup>/<sub>2</sub>16 Ritten Europe 20 General Trust 10\*3%
Deb Sitt 2011 - E108 (SFeBS)
Septial General Trust PLC Ord 25p - 460 2
Rains Investment & Development of Lefted
Prop Pt 50.01 - \$10.33 (SFeBS)
Jennense Korea Emerging Growth FundSha Sineme Kores Emerging Gro \$10 (Reg Lun) -\$131<sub>3</sub> 13.3 Derive Investment Trust PLC Was to Sub-scribe for 1 inc 8 1 Cap = 47 (SFe65) English & Scotlish Investors PLC "B" 25p =

117 (87 665

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arganistences, ann Am auto for Ord - 33 4 5 tew Guernacy Securities Trust Ld Ord 25p -98 (7Fe95) 98 (7F=85) iew 7Throgmorton Trust(1983) PLC Zero Con Deb 8% 1998 - 273<sup>1</sup>2 (SFe85) forthern Indust Improv Trust PLC Ord £1 -

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Stepped Int Deb Sit 2026 - E129 2
Soottish Mortgage & Trust PLC 814-14%
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Sub for Ord - 64 (Free5)
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USM Appendix Sides PLC Ord 10p - 320 (8Fe85) (7FeE) (7FeE) (Bbbs Mew PLC Ord 25p - 430 (7FeE) (Bbbs Mew PLC Ord 10p

Paties: Group PLC Ord In20.05 - 16 Sterling Publishing Group PLC 69% Carv Com Red Pri 2000 £1 - 42 5 5 Total Systems PLC Ord 5p - 34 United Energy PLC Was to sub for Ord - 3 (7F955) Bex Group PLC Ord IrE0.05 - 16

Rule 4.2(a)

Ablomaria 8 Bond Hidga PLC Ord 4p - 50106 (7Fe98)
Advanced Media Group PLC Ord 51 - 53.225
Advanced Media Group PLC Who to sub for Ord - 51.95 2.1 8Fe88)
Amaginment Media Corp PLC 6% Cum Pri 51 - 50.38 (5Fe88)
Ann Street Brewery Co Ld Ord 51 - 53.8
Ann Street Brewery Co Ld Cre Red 2nd Pri 51 - 52.571 hell Club PLC Ord 21 - \$425 pms Former
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une Group PLC Ord 10p - 20.24
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Bray 100xxxxxy 100xxxxy 100x 100 - 22 (7Fe95) Brookbank Group PLC Ord 10p - 22 (7Fe95) Charmel lebande Come (TV) Ld Ord 5p - 20.59 Chartfield Fund Management PLC Ord 10p -Chartifeld Fund Management PLC Ord 10p = £1.2 (7F-88)
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Consists Trust PLC Ord 25p = 20.22 (7F-88)
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3.51 (8F-88)
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De Gruchy Plotrahem) Co Ltd Ord 20p = £1.14
(8F-88)
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English Churches Housing Group Ltf 21/2%
Ln Str = £12 (8F-88)
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80.236 (7Fe85)
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sey Gas Light Co Ld Ord 100 - 20.90 PHILLIP VIEWNDER

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Lawrence PLC Ord 10p - 21 & (7Fe85) and the Limite Group PLC Ord 21 = \$25<sup>3</sup>2 Lin Riche's Stones Ld Ord 21 = \$3.07 (BFe85) Leisureitme Inne PLC Ord 8p = \$3.08 (BFe85) Liverpool FC & Athletic Grounds PLCOm 55 = 2570 ppress; London Fiducitry Trust PLC Ord 1p - 20,025 Many & Oversean PLC Ord 5p - 50,09 - Paris ----Marine & Mercantile Securities PLC Ord 600.20 - \$1.81 (75408) Mariney Corporation PLC Ord 2p - \$1.1 1.12 1.15 1.1575 THE STATE OF nem Marttime Property Irwa Let Ord 0.10 Northern Martime Property Inte Liz Cro - 20,8 (6Fe95) Cultur Enterprise Ld Ord Et - 50.035 (3Fe95) ..... Marche PLC Ord Sp - 20.65 0.655 -

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\$1.29\(\phi\) Schröder Management Services(GuerriSC der European Bond - \$10,4478 Spottieh Pride Höge PLC Ord 10p - £0.4

ion Hotel Ld Ord £1 - £3.0 (7Fe05) oherd Neume Ld "A" Ord £1 - £7.1 (SF465) SRichem PLC She 1p - 20.02 (SF495) South Green Hidge PLC Ord 1p - 60.005 (8Fe95) Southern Newspepers PLC Ord £1 - £4,45 Thustee Deniett Co PLC Ord 25p - 52. Titagbur PLC Ord 5p - 63.04 Tractor Network PLC Ord 21 - 27.1 7.1 7 2 Unicom hree PLC Ord 25p - 10.5 (67-90) VDC PLC Ord 51 - 51.4 4.45 (67-90) Wadworth & Co Ord 51 - 5130 Wadworth & Co 'A' Ord 51 - 512<sup>1</sup>2 13

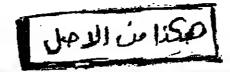
Warburg Asset Monagement Jersey Mercury Intl Gold & General Fd - \$1.54 (7Fe85) derburn Securities PLC Ord Sp - 89.13 Westably Ld "A" Non,V Ord 25p - 520 Windhester Multi Media PLC Ord 5p - 50.73

RULE 2.1 (a)(v) Bargains marked in secu ling within Rule 2.1 (a)(i)) where a pricipal merket is outside the UK and Republic of Ireland .

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SECURITIES AND FUTURES LIMITED TIG. (4) 171 417 9720 Far: (4) 171 417 9719 \$32 ROUND



#### LONDON STOCK EXCHANGE

### Bid hints continue to buttress a firm market

By Terry Byland. UK Stock Markets Editor

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A successful week in the UK equity market was sustained at the close of yesterday's trading session, when the FT-SE 100 Share Index closed at s new 1995 peak, refusing to be ruffied by falls in British government bonds. Takeover speculation continued to play a significant role, although there was no news in mar-ket hours on whether the Trafalgar House bid for Northern Electricity will be put before the UK Monopo-

Excellent trading figures from Lloyds Bank set strong pace for the banking sector, and for the market,

which had hesitated in early trading. The FT-SE 100 Share Index down sharply, losses ranging to a The broader market slipped to 3,099 hefore bouncing ahead again in reach a high for the session of 3,114.6.

Uncertainties over the UK politi-cal situation resurfaced at the close of the gilt-edged market, which had already shied away from weakness in New York Federal bonds following some confusion over the impli-cations of the US producer price

data for January.

Long-dated UK gilts shed more than % of a point as the market settled down to wait for further details, to be disclosed on Tuesday afternoon, of the auction of 2004-06 bonds which are to be sold on Feb-

Political uncertainty, which has been prompted by the UK government's problems with policies on Europe and Ulster, revived yesterday after Mr Kenneth Clarke, the chancellor of the exchequer, had appeared to defy Euro-sceptics inside the UK Cabinet.

But the equity market's confi-dence appeared undimmed by these worries. Analysts were quick to point out that the Footsie 3,100 level had been held. The FT-SE 100 Index has gained just over 50 points, or 1.6 per cent, this week, reflecting the view that upward pressures on

The broader market also remained very firm. The FT-SE Mid 250 Index closed at 3,454.1, a gain of

13.1 points on the day and nearly 64 points on the week.
Once again, London was brushing off a sluggish performance in New York where the Dow Industrial Average was a shade off in UK

hours. Federal bonds were giving

ground as New York analysts

worth £1.68bn, the highest daily

turned towards a negative view of the producer price numbers. Seaq volume indicated a slacken-ing in business levels compared with Thursday's strong session, when retail or customer deals were

mented that share activity has become more sharply focused around specific deals rather than across the broad range of the mar-

This trend brings the increased level of business towards the big securities houses which are active in portfolio trades and programme trades, leaving smaller competitors still struggling for their share of

equity volume.

Market pressures were reflected in a further heavy fall in shares of SG Warburg, the UK investment banking house hadly unsettled since the collapse of merger talks with Morgan Stanley of the US.



indices and ratios FT-SE Mid 250 3454.1 +13.4 FT-SE-A 350 1549.5 +5.6 FT-SE-A All-Share 1530.85 +5,43 FT-SE-A All-Share yield 4.02 (4.03)FT Ordinary index 2364.8 +6.6 FT-SE-A Non Fins p/e 12.01 (17.96)Feb 6 .. FT-SE 100 Fut Mar 3123.0 +11.0 10 yr Gilt yleid 8.65 (8.56)Low ...... Long glit/equity yid ratio: 2.18 (2.13)"Intra-day high and low for week

Feb FT-SE 100 Index Closing index for Feb 10.....3109.9 .+50.2 Feb 9 ......3099.0 Feb 8 ......3072.5 Feb 7 ..... .3072.7 3062.0 High\* ..... ... 3114.6 ...3060.7

#### TRADING VOLUME IN MAJOR STOCKS Vol. Closing Day's 000s price change Loreho Luces MEPOT MET Metwob Market & Boenourt Midentot Seot. Moroleon (Win.) NFC NETWest Bank; Metwost Seot. Norther Foods Norther Foods Normeb Pearsoot 1,700 1,600 ASEA Groupt About Heliorate About Fisher Asea Fisher Asea Consect Booker +8 Pearson† P & O† Plidegion PowerGent Prudential† Prudential† PRACT Burnish Castro Burton Cable & Wiret Cadbony Schwi Cartion Commis Costs Viyella Corem, Uniont Costsolica Countralidat Dayles Dayles Dayles Dayles Dayles Dayles Scot. Hydro-Elact. Scottish Power's Sears' Socious's Section Trans' Socious's Section Trans' Stable State Trans Stable State Trans Stable State Trans Stable State +10 Diams Eastern Bect 1 East Michael B Electrocomps Eng China Clays Enterprise Oil† Electronical Units \*\*\*\*\* TBM TI Group! TISP; Termer Tate & Lyle Tager Woodrot Teylor House Unique Lingto Lindow Teylor Lindow Teylor Lindow Teylor +1¥ +1 446444444 1,200 ,660 7,800 2,000 151 2,100 3,800 7,700 3,800 824 508 278 529 387 142 129 500 819 507 Minglisher† (Neil, Save Lactrolor† Land Securitie Leporte Lopal & Gener Lloyds Abbay Lloyde Benk† LASMO London Biest

FT - SE Actuaries Share Indices

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70 FRANCIALS(119) 70 PRANTALES (179)
71 Burks, Retail(5)
72 Banks, Marcheni(6)
73 Insurence(27)
74 Life Assurence(6)
17 Other Plantale(22)

#### **EQUITY FUTURES AND OPTIONS TRADING** Active buying in the derivatives market was largely responsible locals. Then, selling into for pushing the London market strength took it down to

higher yesterday. The trend was positive from tha start and the Footsie contract expiring in March started at 3,104. It was at a premium to the underlying market while its estimated fair value - the figure which includes the cost of carrying minus the dividend benefits -

puts it at parity. It hit a high of 3,129 helped by encouraging US inflation

independent traders, known as around 3,115 by the close of the official session. Turnover in traded options

was, at 40,361 lots, down on the previous day. The busiest stock option was NatWest which saw 2,184 contracts change hands, equivalent to nearly 2.2m shares. Fisons. which announced a corporate review, and United Biscuits were also active.

The UK Series

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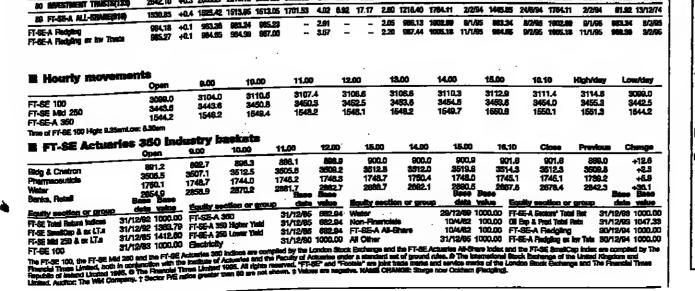
 
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Banks, Morchant 45.45	Rotefors, Food +0.47	Tentiles & Apparel1.3
Oli Explanation O Prod +4.78	Life Assessment +0.34	Engineering
Consumer Books +3.52	Ballding Materials +0.32	Property1.5
Heckanic & Hac Eapt +3.12	FT-SE-A 350 Lower Yield +0.30	Chemicals 21
Heelth Care	Loison & Hotels	femalessal Treats
Food Producers+2.57	Busin, Retail0.41	Engineering, Vehicles2.1
Tolecommunications	Paper, Poly & Printing 40.58 .	Bongios22
Ol, lelograted+2.27	Media	Building O Construction2.5
Ff-SE 100	Services0.71	Webs
Support Sarvices +1.44	Cas Distribution	Spirits, Wilnes O Cidens4.3
FT-85-A 350 Higher Yold _ +1.26	FT-SE Small(no ex IT1.12	Backicky
Miseral Boraction +1.08	FT-SE Mid 250 or IT1,23	Extractive industries5.0
Geo Sedustrials	Utilities 4.25	Distributors

		Day's				Year	Div.	ÉM.	PÆ	XII adj.	Total		190			_	Slace D		
	Feb 10	chile.	Feb 8	Feb 8	Feb 7	AQ0	yki%	ykiX	20	ytel	Heterna	級	gia		<b>76</b>	H	igh	L	OF .
FT-SE 100	3109.0	+0.4	3089.0	3072.6	3072.7	3378.8	4.20	7.15	16.58		1169.04	3520.3	2/2/94	2676,6		3525.3		986.8	
FT-SE 164 250	3454	+0.4	3440.7	3415.1	3407.1	4030.0	3.67	6.38	18.6B	0.13	1304.86	4152.8	3/2/94	5363.4	27/6/04	4152.8		1378.4	
T-SE Mid 250 or lay Trusts	3461.6	+0.4	3447.5	3421.9	3411.4	4047.6	3.82	8.91	17.38	9.24	1305.84	4186.7	19/1/94	3302.4	27/6/94	4168.7	18/1/94	1378.3	
T-SE-A 360	1549.3	+0.4	1543.9	1581.1	1530.4	1711.4	4.08	6.96	17.01	2.58	1212.60	1778.3	2/2/94	1/151,3	24/8/94	1778.3		804.5	
T-65-A 350 Higher Yold	1577.1	+0.5	1568.5	1555.5	1552.6	1714.3	5.09	7.42	10.11	3.46	1014.86	1778.3	2/2/94	145L3	24/6/84	1778.3	2/2/94	684.5	14/1/
T-SE-A 350 Lower York	1521.0	+0.2	1518.0	1500.8	1507.7	1665.1	3.05	8.49	18.03	1.74	1004.18	1728.8	2/2/94	1424	24/8/94	17726	2/2/84	888.2	14/1/
T-SE SmellCup	1720.7		1718.81	1714.68	1715.50	2068.86	3.38	6.48	19.34	6.48	1347.57	2094.88	4/2/94	1788.44	31/1/95	2004.00	4/2/94	1363.79	31/12/
T-SE SmallCop at lay Trusts	1696.7	+0.1	1695.02	1091.58	1881.58	2047.38	3.58	7.28	17,43	3.63	1338.51	2000.72	4/2/94	1506.55	31/1/95	20 <b>01.</b> 72	4/2/94	1363.78	31/12/2
T-SE-A ALL-SHAPE	1530.83			1513.65		1701.53	4.02	6.92	17.17	2.60	1218,40	1764.11	2/2/94	1445.86	24/5/94	176L11	2/2/04	61.52	13/12/7
FT-SE Actuaries	All-S	hare																	
		Day's				Appr		Earn.		X4 30.			1994		_		Shace Co		
	Feb 10	chge%	Feb B	Feb 8	Feb 7	ago	y41%	M/A	ratio	yes	Roturn	H	<b>#</b>		**	11	gh		<b>DE</b>
18 MINERAL EXTRACTION(26)	2708.44			2674.59		2549.22			25.29					2430.56		2802.61	5/9/94	980.20	
12 Extractive Industries(7)	3543.17	+0.7					3.42		22.51		977.71	4107.55		3478.57	29/1/96	4107.55	2/2/94	1000.00	
15 Oil, integrated(3)	2713.05	+0.4		2681.60				5.53			1120.38	双足槍		2349.86	30/3/94	2702.46	5/9/94	982.30	
18 Oil Exploration & Prod(15)	1986.22	+0.5	1958.43	1944.77	1939.12	1903.06	2.48	<u> </u>	#	0.08	1137.86	2000.43	27/4/84	1764.40	31/3/94	3044-10	8/6/90	050.38	20/7/0
20 MEN INDUSTRIALS(270)	1841.81	+0.3	1635.27	1817.58	1811.08	2184,90	4.25	5.84	20.41	1.65	947.81	2232.68	2/2/94	1770.57	31/1/85	2232.68	2/2/34	986.10	
21 Building & Construction(36)	957.37	+1.1	947.18	942.14	943,44	1526.15	4.06	6.61	19.69	0.00	755.93	1500.10	8/2/94		14/12/94	2125.00		538.30	9/9/5
22 Building Matte & Mercha(31)	1773.95		1784.26	1744.82	1742.93	2300.89	4.20	6.23	19.37	0.70	844.35	2303.72	24/1/84	1675.52	31/L/B5	2263.22	24/1/04	954.80	222
23 Chamicala(23)	2217.10		2218.77	2207.59	2207.35	2432.64	4.27	5.33	22.83	0.00	990.86	2585.42	8/8/94	2186.65	31/1/95	2586.42	8/8/94	979.50	14/1/0
	1831.74		1827.20	1798.27	1778.81	2170.10	5.08	8.20	18.60	3.06	950.08	2231,57	2/2/04	1690.28	10/12/94	2231.57	2/2/94	984.80	21/1/6
	1911.51		1911.99			2221.68	347	6.71	17.70	2.01	945.56	2263.38	4284	1765.56	13/12/94	2263.38	4/2/94	900.30	29/9/0
	1757.6		1749.70			1988.45	3.44	0.00	21.01	2.87	1014.84	2011.17	2/2/94	170L23	31/1/95	2011.17	2/2/94	962.88	10/11/0
26 Engineering(72)	2130.31		2111.42			2614.87	4.00	1.63	80.001	0.18	1042.91	2516.95	8/8/34	2016.37	23/1/95	2516.95	8/8/34	966.00	14/1/8
27 Engineering, Vahicles(13)	2728.01		2724.74				3.29	5.00	19.64	0.17	1000.07	3045.01	16/3/94	2821.18	4/1/84	3045.81	18/3/94	173.30	14/1/
28 Paper, Polig & Printing(27)	1484.02		1481.23				4.57	6.60	19.57	0.17	849.75	2024.06	4/2/94	1454.71	1/2/13	2225.60	2/18/87	260.58	24/8/8
26 Tedities & Apparol(21)							4.00	7.10	18.45	9.58	1006.64	2048.78	24/1/04	2404.94	24/6/94	2000.00	22/12/02	957.30	14/1/6
30 CONSUMEN GOODS(85)	2058.72		2873.65								962.07	2664.07		2071.07	24/5/94	2464.52		962.00	14/1/8
31 Branneries(16)	2145.20	—	2138.89				4.46		14.05		852.43	2225.83		2400.00		3487.00		967.50	14/1/8
32 Spirite, Wines & Cidem(10)	2618.63							7.52	15.72					2001.26					14/1/8
33 Food Produces(24)	2367.09		2344.99						15.97		1013.29	2000.64				2000.04	19/1/94	946.10	
34 Household Goods(10)	2538.81					2827.95	8.81		18.26		910.18				12/12/94	2004.14	18/2/94	927.10	21/1/8
36 Health Care(18)	1612.22				1589,45		3.18		40.50		941.90	1906.18			13/12/84		20/9/87	\$72.80	21/1/0
37 Phormaconticula(13)	3542.Z			3622.05			3.99		19.67		1136.30	35022		2841,70	1/6/94	4100.00	14/1/92	053.70	13/1/8
38 Tobacco(2)	3851.89	+0.5	3834.44	3000.14	3775.02	4160.59	5.56	9.46	11.54	0.00	878.85	4718.86	7/1/94	3120.74	24/6/04	4/34.83	29/12/93	102.00	9/1/6
	1878.93	+0.3	1873.17	1865.77	1869.60	2126.97	8.34	7.24	16.68	3.90	933.10	2297.37	1971/94	1816.80	23/1/95	2251.31	19/1/94	944.98	23/1/8
40 SERVICES(231)	2250.57			2271.58		3206.22	4.14	13.75	8.80	1.53	790.45	3319.33	2/2/04	2200.67	10/2/95	3319.33	2/2/94	100,50	21/1/8
41 Distributors(32)	2129.25	_		2102.45		2308.46	138	5.71	20.91	8.59	1080,24	2360.02	17/2/94	1984.18	6/7/94	2300.62	17/2/84	975.40	21/1/8
42 Leignes & Hobits(25)	2782.57	:	2772.58				2.55	5.83	20.81	1.92	969.55	334LT1	17/2/94	2626.32	23/1/95	3349.11	17/2/94	976.20	9/1/8
43 Medie(43)	1774.03			1797.53		1805.39	3.71	9.04	13.55	2.54	1072.15	1814.20	18/1/94	1511.94	254/94	2732.20	28/1/93	817.40	21/1/8
44 Reiolara, Feed(16)	1580.37			1540.84			3.43	7.40	16.62	5.11	852.05	1918.57	471/94	1465.20	12/12/94	1934.24	29/12/93	879.10	9/12/8
45 Rutallers, General(46)	1484.43			1453.16		1795.39	283		18.13	0.60	908.57	1806.43	2/2/94	1440.50	15/12/94	1886.43	2/2/94	839.90	1/2/9
48 Support Services(38)	7223.23		2226.75			2735.89	3.83		17.30		579.46	2005.08	2/2/94	2116.44	23/1/95	2005.08	3/2/94	980.08	14/1/8
49 Transport(21)				1210.27				4.57	29.51		1096.62	1300.58		1130.62		2451.50	18/7/87	963,10	14/1/8
61 Other Services & Statement(7)	1213.29							_			_								
60 STILITES(\$7)	2357.12		2339.86	2366.84				7.49	16.25		940.51	2702.33		2190.92	346/94	2702.33	2/2/94	802.50	3/10/2
82 Secticity(17)	2456.11	+0.3	2444.84					10.25	11.59		1051.10	2754.74		202L12	246/94	2754,74	30/6/94	965.30	7/1/2
	2051.63	-	2051.63	2042.04	2042.04	2224.53	5.84			0.00	963.63	2368.77	,,	1654.20	24884	2379.30		<b>991.</b> 90	9/12/5
84 Gus Distribution(2)	2011.52	-0.7	2025.68		2046.41	2320.34		0.00	18.23		873.00	2450.42		1300.58	1/6/94	2461.20		802.50	3/10/8
66 Telecommunications(5)	1750.04	-0.3	1744.20		1885.28	1980.64	5.72	13.71	7.96	4.52	892.37	2126.78	3/2/94	1536.71	ZIAN.	2126,78	3/2/94	924.70	1/5/0
58 Weber(13)																			



1857.98 +0.3 1653.21 1841.82 1841.53 1808.11 4.00 5.56 18.01 3.29 1188.52 1878.38 22/294 1582.88 24/294 1878.38 2/294 63.48 19/12/74

2842-10 +0.3 2535-27 2810.18 2627-29 3023.82 2.57 2.05 49.22 4.34 894.34 3194.31 3/2/94 2825.39 23/1/85 3194.31 2/2/94 977.20 14/1/86

#### New talk of bid for UB

Shares in food manufacturer United Biscuits (UB) jumped 23 to 365p, making them the day's best Footsie performer, as one of the market's longest run-ning bid stories resurfaced.

Buyers were seen early in the day sending the stock steadily forward. But it was in the last hour before the close that the shares raced ahead to the day's peak in trade of 3.7m. only marginally ahead of the daily average. There was also big activity in the traded

Dealers suggested that Hanson, international conglomerate, was putting the final touches to a 400p-a-share bid to be launched next week. Talk of a US bidder was also heard. However, some analysts remained sceptical about the likelihood of takeover move and one said: "I regard this as a Friday story and no more, I doubt a bid is on the way."

There were also rumours that one of the UK Sunday newspapers was planning to carry a bid story on the com-

Close followers believe that for in an acquisition. Hanson has also shown an interest in food businesses in the past, having been outbid for Ranks Hovis McDougall by Tomkins. But the loss of City confidence in Tomkins after the takeover may make Hanson cautious of following it into the food sector. Hanson was heavily traded ahead of first quarter figures on Tuesday. The market expects the group to announce a profit of around £260m against £163m last time. The steady share price - only up 1% at 245%p - against very active turnover of 11m shares suggested there was a strong two-way pull on the stock.

Warburg gloom Unconfirmed reports of more

defections from SG Warburg's equity capital markets team unsettled the Warburg share price which took the dublous honour of being the FT-SE 100's worst individual per-

#### **NEW HIGHS AND** LOWS FOR 1994/95

NEW HIGHS (116). BUILDING & CNSTRN (2) Andrews Syles. Brandon Hire, SLDG MATLS & MCH Helton, SLEGTRING & ST CALLED THE A PLECT SOUP IN H rd, EMO, VEHICLES (1) Irish Parmier PRODUCERS (2) Assoc. Zirk. Foods, -Pacifics, Emp., Vision 27, Assoc. 2nt. Foods, Podor Wisemen, NEALTH CAFE (1) Smith & Neptive, NW25THERIT TRUSTS 49 LIBBIRE & NOTELS FIL JOYA, OIL REPROPATION & PRICE AN REVISED, PHANSACEUTICALS (2) Callect, AN REVISED, PHANSACEUTICALS (2) Callect, AND REVISED. (1) Remoo, PHARMACEUTICALS (5) Culture Scotts, RETAILERS, GENERAL (1) Amotts,

(1) Remoc, PHANHACGUITCALS (2) Cellech, Scotts, RETALLERS, GENERAL (1) A-motts, SUPPORT SERNA (2) Page (A). Servicer, THANSPORT (2) Applied Distribution, GRT Bus, WATER (4) Chairn A. Do B, East Surrey, South Socia, AMERICANS (1) CPC Ind.

NEW LOWS (69).
GR.TS (6) RANGS, RETAIL (1) Expirito Santo Financial BERMERIES (1) Fuller STA, BUILDING A CHETTON (7) BG & EA, Berteley, Laing (J., Do A NV, Morgen Straid, Washforms, Westbury, CHETMACALS (2) BTP, Suttliffe Specialmen, DISTRIBUTIONS (8) Applyant, SA Int., Inchespe, DEVERSERS DEVES (2) Pasific Durlop, Suter, ELECTIONG & ELECT EDUP (2) Picto A, Rochorn, ENGINEERSING (3) Endis, Halma, Moltins, ENG. VPDICLES (1) Inghem, EXTRACTIVE MIDS (7) Gold Mines Australia, MMA, Monach, Normany Presentor, North Broken HS Felor, Sipe, Shalts, FOOD PRODUCERS (1) Yorkshan, HEALTH CARE (1) Biotrace Ind., HOUSEHOLD GOODG (2) Fine Decor, Tama (3), INSURANCE, EJ MYESTMENT COMPANIES (2) ENSURE & HOTELS (1) Finals, HAMESTMENT THEIRS (2) MYESTMENT COMPANIES (2) ENSURE & HOTELS (1) Finals, Tellects (2) ENSURE & HOTELS (1) Finals, Control of the Parks.

BANESTMENT THUSSES (2) BAYESTMENT
COMPANIES (2) LESSURE & HOTELS (1) Break
for the Border, Oil. IDPLORATION & PROD (4)
LASING One, Prinnerself, Sun, Veterde, OTHER
FINANCIAL (1) Netional Home Ln. 71-pc Pri.
OTHER SERVIS O BRISHS (1) Leigh Interests Opc
Pri., PAPER, PACIOS & PRINTS (2) Sidley.
Waddington (4), PROPERTY (8) Chewished Trust,
Datenhum Tewson & Chinnocks, Fletcher King,
Hachingwey, Newport, Property Trust (PVT),
BETAL RES, CHEWERAL (2) Body Shop Ind., Tie
Rick, SUPPORT SERVS (3) Computerised Fin.
Solidons, Newson 4, Micro Peaza, TEXTILES &
APPAREL, (1) Worthington.

former. At the close the shares were 25, or 3.3 per cent, lower at 726p, after some aggressive United Biscuits has many of selling of the stock. Turnover the features Hanson is looking was a higher than usual 2.5m.

Warburg shares were hit earlier in the week by news that Mr Maurice Thompson and Mr Michael Cohrs, its joint heads of equity capital markets, bad Grenfell, the merchant bank ing arm of Deutsche Bank. Rumours of more departures from Warburg were circulating in the market throughout yesterday.

#### Lloyds delight

The bank sector provided three of the top five performers in the FT-SE 100 list as the market warmed in the excellent results announced hy Lloyds Bank, the first of the big banks to announce preliminary results.

Ironically, Lloyds Bank shares could only manage ninth place in the FT-SE 100 performance list, the shares settling a net 10 higher at 560p. Turnover in the stock was a hefty 7.7m, well above usual

#### levels. At their best the shares touched 5671/2p. Bank specialists said the

market had responded enthusiastically to pre-tax profits higher than the consensus forecast and the better than expected 17 per cent increase in the dividend total. The market had been looking for a 13 per cent increase in the payment. The post-results meeting is scheduled for Monday.

Other banks raced higher after the Lloyds numbers were released, with dealers taking the view that all the other high street hanks would trump Lloyds' dividend increase. Barclays, due to announce on March 7, is expected to produce a 32 per cent rise, Standard Chartered, reporting on March 8, a 25 per cent increase, and Abbey National, reporting on March 2, a 21 per cent increase.

NatWest, second best performer in the Footsie, which is due to release its figures on February 21 and is forecast to increase its payment by over 16 per cent, jumped 18 to 508p after beavy turnover of 10m shares. Barclays rose 9 to 612p.

#### **BET** active

International support services group BET rose 2½ to 112½p, pushed higher by some very heavy institutional buy-

One fund, possibly a European investor taking a view on the prospects for the UK market, bought 5m shares at 114p each on Thursday. This also raised some speculative eyebrows as it was about 10p left Warburg to join Morgan above above the market price. Because of the rules governing large deals the trade was not announced until yesterday. By then, the marketmaker who had delivered the stock had managed to huy most of it

back at 112%p a share. Analysis added that the company has been seeing institu-tions ahead of a visit to its garment lending plant in Bradford next week.

The absence of any news from the Department of Trade and Industry regarding the Trafalgar House bid for Northern Electricity was toterpreted by some dealers as an indication that the bid will be allowed to continue. Many of the Recs raced ahead on expec-tations that other bids will follow. Among the best performers were Southern, up 18 more

#### I CHIEF PRICE CHANGES

Y	ESTERDAY			
	ondon (Pence) lises			
A	PV	60%	+	3
E	urotherm	421	+	14
F	ine Art Devs	345	+	17
F	lying Flowers	96	+	9
G	BE Int	49	+	8
Н	epworth	299	+	8
U	loyds Bank	560	+	10
N	atWest Bank	508	+	18
P	ersimmon	178	+	8
R	amco Energy	338	+	17
R	egent Corp	23	+	3
S	enior Eng	78	+	6
S	mith (WH)	442	+	11
S	outhern Elect	747	+	18
Т	& N	164	+	6
T	adpole Tech	250	+	8

United Biscuits 365 + 23 British Land **Eurotunnel Uts** 298 - 8 56 Jacobs (JI) Warburg (SG)

to 747p, South Western, up 17 at 822p and Seeboard up 9 more to 435p. Northern edged up 2 to 930p. Yorkshire, up 2 at 819p and one of the market's favourite bid targets, was the heaviest traded stock in the recs, with 1.3m shares changing hands. Among food retailers, the

market welcomed Tesco's confirmation that it was to launch 8 "loyalty" card for shoppers called Clubcard. The shares hardened 5 to 249p, on strong volume of 11m. Credit Lyonnais was said in have advised clients to switch into the stock and out of Asda, 11/2 lighter at

Dealers discounted reports from J Sainsbury that it would not be introducing "loyalty" card scheme and one suggested "its only a matter of time before they do." The shares closed 3 ahead at 422n.

Inchcape, the international trader, fell to 298p on concern over the profitability of its motor division following Thursday's presentation to analysts and institutions.

However Nomura issued a buy note arguing that the fall was overdone and the weakness offered a cheap route into the stock. The shares recovered to close 5 lower at 302p.

Eurotunnel slipped after the company announced lower revenues in 1994 than the market had anticipated and warned that the trend would continue in 1995. The shares closed 8



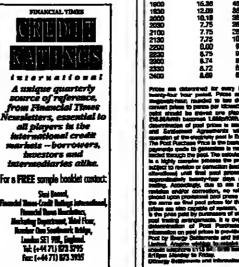
In the High Court of Justice Chancery Division

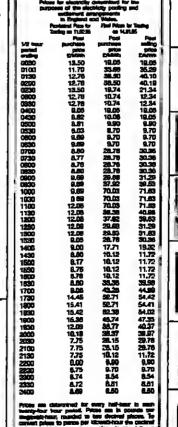
IN THE MATTER OF ALLIED LEISURE PLC IN THE MATTER OF THE COMPANIES ACT 1985

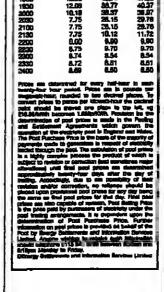
NOTICE IS HEREBY GIVEN that the Order of The High Court of Justice, Chancery Division dated the first day of February 1995 confirming that cancellation of the share premium account of the above named company was registered by the Registrar of Companies on 2nd Rebutary 1995.

Dated this 3rd day of Pebruary 1995 Denton Hall Pive Chancery Lane London BC4A 1BU Ref: SBG/db/31034.01 Tel: 071 242 1212 Solicitors for the above-na

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### FINANCIAL TIMES

Weekend February 11/February 12 1995



### Prudential chief quit after Maxwell UK Treasury intervention | pensioners win £276m

By Robert Peston, Political Editor, in London

Evidence supplied to the Stock Exchange by the Treasury was partly responsible for the resignation last month of Mr Mick Newmarch as chief executive of the Prudential Corporation, the UK'a biggest life insurer.

The evidence came from a meeting between Mr Kenneth Clarke, the chancellor of the exchequer, and Mr Newmarch shortly before the Prudential chief executive carried out the option dealings under investigation by the exchange.

It has also emerged that Sir Brian Corby, the Prudential's non-executive chairman, could face a Stock Exchange reprimand for authorising Mr Newmarch's controversial share option transaction last October.

Mr Newmarch, one of the City of London's most influential figures for a decade, resigned in dramatic circumstances last month, in part because of the embarrassment caused by the

Major's staff had merely been

given a copy of the chancellor's

Oxford, in the English midlands,

tried to play down the crisis. He said Mr Clarke had "made it

clear we are a long way away from the right economics for a

single currency. Those are the realities which the chancellor

spelt out last night and I have

Even some Eurosceptics

suggested that Mr Portillo may

have overreached himself by

slapping down Mr Clarke so pub-

Several MPs said that with both Mr Clarke and Mr Portillo

claiming to speak for the cabinet,

Mr Major now had no choice but

to take sides to restore his

Sir Mark Lennox-Boyd, a for-mer Foreign Office minister and

one of 106 signatories of a back-

bench motion praising Mr

Major's increasingly tough stand

on a single currency, said the

chancellor had the right to make

Mr Peter Temple-Morris, a

prominent pro-European, said

ministers were setting the wrong

example. "If the cabinet so mani-

festly can't get its act together there is no hope for the rest of

spelt them out since 1990".

Mr Major, on a regional tour in

Continued from Page 1

address in advance.

exchange's probe of his dealings.

The transactions being probed were carried out on October 25 last year when Mr Newmarch made a profit of £202,775 (\$314,300) from exercising options covering 208,750 shares and then selling them

In a preliminary finding, the exchange's share listing department found Mr Newmarch guilty of breaching its model code covering directors' dealings. The exchange also believes Sir Brian was wrong to authorise the transaction. Mr Newmarch and Sir Brian have appealed the finding and their appeal is being considered by the Listing Executive, a group of exchange executives. lt emerged yesterday that evi-dence vital to the Stock

Exchange's preliminary judgment was provided by the Treasury. The evidence stemmed from a meeting between Mr Newmarch and Mr Clarke a few days before he exercised the options.

The meeting, held at Mr NewBoard's review of the mis-selling of personal pausions. The SIB findings - were published just hours after Mr Newmarch exercised his share options.

If Mr Newmarch had detailed advance knowledge of the SIB report, then he would have been breach of the Stock Exchange's model code on directors' dealings, which prevents company directors from dealing when they have unpublished information which could potentially be price sensitive.

After the Stock Exchange started investigating the affair, Mr Newmarch said that he did not have a copy of the SIB report. However the Treasury intervened. It provided evidence to the exchange that the chancellor had been left in no doubt during the eting with Mr Newmarch that the Prudential chief executive had detailed knowledge of the SIB report.

The Prudential says it is convinced Mr Newmarch did not breach its own dealing

# settlement

By Nicholas Denton in London

Thirty thousand pensioners won a £276m settlement yesterday from the remnants of Robert Maxwell's failed media empire. investment banks and accountants, bringing to an end one of the largest and most complicated financial disputes in the UK.

Mr Bob Cole, former press offi-Trustees of the pension funds accepted an offer of £276m

and safeguard the pensions of 30,000 former Maxwell employees. Most current Maxwell pensioners are covered by temporary schemes and so the greatest beneficiaries of the agreement are

Goldman Sachs is believed to be contributing about £75m and another US investment bank, group companies. Coopers & Lybrand, auditor of the failed Maxwell Communication Corpopanies are providing most of the emainder.

will thus avoid litigation and fur-ther potential embarrassment. One trustee aaid yesterday: Everybody wins, except the law-

Yesterday'a deal must ba approved by the High Court. Two other disputes are still being contested, but yesterday's partici-pants believe the "global" or "major" settlement is

since Mr Maxwell fell from his from pension funds associated with his group.

schemes, five sets of solicitors representing pensioners, the more than 10 respondents, as well as 30,000 current or future pensioners.

personal triumph for Sir John Cuckney, adviser to Mr Peter Lilley, the social security minister. who has extracted an improved offer from Lehman Brothers and other institutions.

tion payment, the government is making an interest-free loan of 2115m to the funds. A combined surplus in the 12 pension funds of £70m brings the additional money available to more than the total £400m short-

### march's request, discussed the Securities and Investment Europe row | UK retailer launches loyalty scheme card

By Neil Buckley in London

The supermarket price war in tha UK took a new turn yesterday as Tesco, the second-biggest food retailer, unveiled a nationwide customer loyalty scheme, offering customers money-off vouchers according to how much they

Tesco's magnetic card, called Clubcard, has been on trial in 14 stores and is to be launched in all its 500 stores from Monday. Start-up costs have been put at £5m (\$7.7m), but Tesco said it

expected to cover the cost of discounts to customers through increased sales. Predictions of an immediate "loyalty card war" were con-founded, however, when J Sains-bury, the UK's largest grocer, rejected a national loyalty card scheme as too costly. It said it

would continue to use local loy-

alty cards for limited periods,

mainly to attract customers into

new stores.

Mr David Sainsbury, chairman
of Sainsbury, claimed that
annual administration costs of a national scheme would be £10m. Argyll, owner of food retailer Safeway, has made no decision about extending a loyalty card

scheme being tested in 25 stores. Should Tesco's scheme, which is open to all customers, prove

essful, however, other groups may be forced to follow suit. Analysts drew comparisons with the "Green Shield stamp war" of the 1970s, when retailers vied with one another to reward shoppers with trading stamps which could be collected and exchanged for goods. Tesco withdrew from the scheme in 1977, lowering prices to compensate, and provoking a price war. Tesco said its new schema dif-

fered from trading stamps in that it not only encouraged customers to shop in its stores but, since all transactions were recorded on a computer, it enabled it to build up a powerful database of cus-tomers' names, addresses and shopping habits. That information could be used for marketing

Clubcard members will have their card - which will not ba used for payment - swiped on each shapping trip, and be awarded two points for the first £10 they spend, and one point for each £5 after that. Every quarter, they will receive discount vouchers according to the points

# pensioners out-of-court

cer to the Maxwell group of companies, celebrated with a glass of champagne. "I am immensely relieved," he said. "It has been three years of aggro and living

(\$427.8m) in compensation which, with other monies, will fill the \$400m hole in the funds' finances the 20,000 former employees antitled to a future pen-

Lehman Brothers, is thought to be paying about £60m. The two took pension fund assets as collateral in deals with Maxwell ration, and Maxwell group com-The parties to the settlement

It is more than three years

yacht and died, having stolen The search for a settlement has involved five trustees, 12 pension

Trustees hailed the result as a

On top of the £276m compensa-

### Mexico crackdown on peasant uprising

Continued from Page 1

his views known.

raise questions about whether Mr Zedillo's government is a worthy recipient of \$20bn of swaps and loan guarantees that the US is making available as part of a \$50bn international rescue package. Mr Mack McLarty, a senior adviser to President Bill Clinton,

**Europe today** 

An active frontal system will move over the British Isles, western France and northern

Spain bringing cloud with a good deal of rain, especially over central Britain. Another

front, stretching from central Europe to the western Mediterranean, will bring cloud from eastern Spain to Poland. Spain and

Germany should have rain, while snow is

expected in Poland. It will be mainly dry with sunny spells in central Spain. High pressure will ensure dry conditions in the Balkans and the central and eastern Mediterranean. It will be partly cloudy with

some sunny spells in Italy and the Balkans,

and sun will predominate in Greece and

Rain and wind will sweep over western

expected in the British Isles, the Low

also due in Spain and Portugal, as a

be mainly dry in central and eastern Europe, but northern regions will be

cloudy. The Balkans, Italy, Greece and

Turkey will stay dry with sunny spells.

Countries, Germany and France. Rain is

disturbance moves through the area. It will

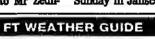
southern Turkey.

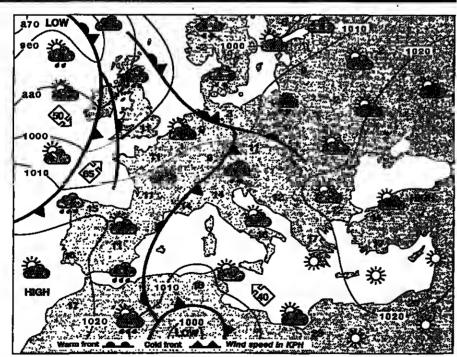
Five-day forecast

was "fully committed to political and judicial reform". A government spokesman said yesterday Marcos was still at

trary in Mexico City. One observer said: "If Marcos is not captured acon, the psychological boost to Mr Zedil-

said yesterday that Mr Zedillo lo's presidency will fade fast." The Mexican press yesterday widely depicted Mr Zedillo's move as a gamble to shore up his unpopular presidency and to large, despite rumours to the conboost morale in his institutional Revolutionary Party, which is trailing badly in the campaign for state elections to be held on Sunday in Jalisco.





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### LEX COLUMN Warburg's woes

S.G. Warburg has been on the verge of crisis since its falled merger talks with Morgan Stanley last December. Its strategy of building a global invest-ment bank on a go-it-alone basis has been damaged. Morale has plummeted. This week a team of eight bankers in its equity capital markets division, including the talented two chiefs, resigned. Unless morale can be restored, the headhunters encircling the bank will have a field day. At such a time, the senior manage-

ment should be articulating a clear strategy. Instead, it has retreated into a bunker. Confusion has been com-pounded by the fact that important management changes leaked out this week without any clear explanation of what they meant. Day-to-day control of operations was shifted from Mr Derek Higgs and Mr Nick Verey – the men previously seen as the main lieutenants of Lord Cairns, the chief executive. In the process, it looks as if Lord Cairns has accumulated further

Stopping the drift will not be easy. Warburg is in a strategic bind. The three main options available to it -pressing ahead with its global strategy, merging with another investment bank, or retrenching to a more profitable core - all have problems.

The go-it-alone global strategy no

longer carries conviction. Warburg not only suffers from a weak US securities business; last month's decision to axe its international bond operations means it now lacks one of the main products offered by integrated investment banks. Theoretically, Warburg could build up its US operations and fill other holes in its international strategy. But this would be expensive and it would be hard to convince shareholders that it was worthwhile. Merging with another bank could give Warburg global reach. But the group has already seen the damage caused by botched merger talks in an industry where the main assets have legs and can walk.

Cutting back to the core might look an attractive way of improving profitability. The snag is that as peripheral businesses are closed, what previously seemed to be core could easily become peripheral. The core international equity business has already been weakened by this week's resignations and the decision to pull out of international bonds; if the US operations were cut back, the international equity business would be further damaged. Though none of Warburg's options is appetising, the bank might make a

30 Wathing Share price relative to the FT-SE-A Merchant Bunder Index

success of any of them if it was able to win the confidence of staff and share-holders. Unfortunately, it lacks such leadership. Though Lord Cairns has many qualities, communicating effectively is not one of them. That need not prevent his taking over from Sir David Scholey as chairman in June. But there are no plans to replace him with a new chief executive. Whatever the theoretical arguments for and against combining the roles of chairmen and chief executives, Warburg's current plight cries out for an inspira-tional chief executive. Its board should send out a search party without delay.

Lloyds

Lloyds aprang some pleasant sur-prises yesterday. The most unexpected was not the 26 per cent increase in pre-tax profits, nor even the 17 per cent dividend rise. Rather, it was tha expansion in the domestic banking business. Not only did domestic net interest margins widen, but there was even growth in the loan book during the second half. The improvements were not spectacular. But they do contradict conventional wisdom that earnings from the clearing banks' UK retail businesses can only be driven through cost-cutting.

Lloyds has underperformed tha banking sector ever since it was left strategically bereft following its failed bid for Midland in 1992. Until its latest strategy, the purchase of Cheltenham & Gloucester, is approved by the build-ing society's members in March, the shares will remain under a cloud. Thereafter they could continue to underperform. Maintaining earnings momentum this year could prove diffi-

cult. Yesterday's results contained a large number of positive exceptionals.
Though dealing profits may be better
than last year, they are unlikely to match the bumper results of 1993. And although Lloyds' costs are under con-trol, it started rationalising early. Therefore, unlike its rivals, Lloyds is unlikely to generate further meaning. ful earnings growth through down-sizing. Lloyds admitted yesterday that without the C&G acquisition the bank would already be overcapitalised. Despite C&G's £1.8bn price tag, Lloyds' will probably find itself with a similarly high capital ratio within two years. Lloyds will then need to consider paying special dividends or buying back shares. It could find that distributing cash does more for shareholder value than further acquisitions.

#### UK supermarkets

Tesco's push to offer loyalty cards to customers smacks of a vicious escalation in the food retailers' price war. But it provides an effective means for superstores to protect themselves from the competitive threat of discount retailers. Tesco may be offering 1 per-cent discounts on most products, but this should actually cost less than 0.5 per cent of sales, even after counting administrative costs. In exchange, it gains an invaluable marketing tool, through a database itemising individual spending habits. And it also creates a means of retaining those shop-pers. J.Sainsbury has already demonstrated - through DIY subsidiary Homebase - that loyalty cards can provide a buffer against price wars. The result should be a decline of less than £10m in next year's profits, while the longer-term benefits could be substantial.

Sainsbury's seemingly naive pro-tests notwithstanding, it seems inevitable that those competitors that can will follow suit. There is a danger that tha big three - Tesco, Sainsbury and Safeway - may battle over the extent of discounts offered. But the main losers will be stores that cannot offer similar schemes. These will range from corner shops and medium-sized food retailers to the likes of Woolworth and W.H.Smith.

The food retailers have outper formed the stock market by 26 per cent over the past year, and the latest competitive tool provides an excuse for profit taking. Discount tools invariably spell short-term pain. But it is likely to accelerate the dominance of

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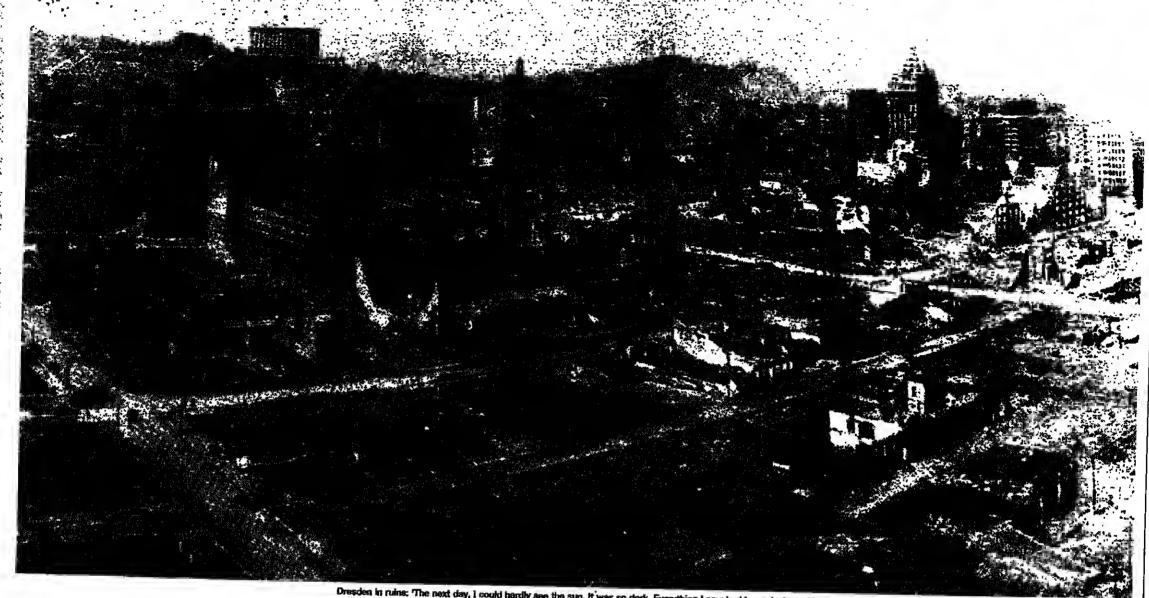
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Old Mr.

# WeekendFT



# The night the innocents died

Allied bombing flattened Dresden exactly 50 years ago. Judy Dempsey asks survivors what it was all for

t was my father's birth-day," recalled Ernst Hirsch of the night of February 13 1945, the night British and American aircraft bombed Dresden. We lived on Johann-Georgen-Allee in the city's Innenstadt [centre]," said Hirsch, then eight years old. For safety, children were already being sent to the countryside. But I was allowed to spend the day in Dresden. We were going to have a small celebration for my father. It was

his 55th birthday." During that February evening 50 years ago, there had been several air-raid alarms nothing new for the city's 630,000 population which had swelled during the war as many refugees sought refuge in Dresden after fleeing the fighting in the east. Many were living in the cellars of churches and houses; 300 were

d Manne

I tell Free land

in the bowels of the Frauenkirche, in the heart of the city. "At 9pm I was sent to bed," recalls Hirsch. "I was sleeping in the cellar. Soon, I felt the whole house shake. It was the first bombing raid. My mother wanted to go upstairs to get more bedding. But the bouse was already burning." The raid, which started at 10.03pm,

lasted 25 minutes. As happened when Hamburg was bombed in the summer of 1943, the first raid over Dresden created a firestorm in which super-heated air rose explosively, pulling in cool air from the periphery in hurricane force winds which fed the central blaze. Within minutes, more than 15 sq kms of the city's elegant buildings, streets, museums, churches, and art galleries were engulfed in the flames

Three hours later, at 1.23am. there was another raid.

"We had managed to get out before it started. The entire street was in flames. We rushed, like so many other people, to the Grosser Garten, [the city's public gardens]. thought we would be safe in the open. But they dropped bombs there as well. We were so afraid."

> In the course of the two Allied raids, 772 Lancaster bombers had dropped 1,477 tounes of mines and explosives, and 1,181 tonnes of incendiary bombs. Almost all the 7,400 bomes and pubbc buildings in the Innenstadt were destroyed. Nearly 39,000 people were killed.

"The next day, I could hardly see the sun. It was so dark. Almost covered in ash. Everything I saw bad been destroyed." said Hirsch.

"The Red Army arrived in Dresden on May 7 1945. We were occupied," Hirsch continued. "Those times were frightening. During the month of April 1946, very early in the morning, three men knocked on our door. We were living on the outskirts of the city. My mother was out working in the fields, like so many other women, trying to feed the city. My father was taken away. I never saw him again."

Who took him away? "The Russians." Why?

"My father had been a judge. He had been in the [Nazi] Party. But he never prosecuted any Jews. He stayed in east Germany after the war, unlike many other judges who went to west Germany. They took him away because he belonged to a bourgeois family."

Did you ever find out what We tried. We wrote to the authorities." Did you ever get a reply?

There was no information about his whereabouts. No record of a trial. No details about his imprisonment or death. No recourse to the law. Nothing. It was like what you read in Solzhenitsyn's Gulag Archipelago."

Hirsch paused to show me photos of inter-war Dresden, once called the Florence of the North. "I was playing in the street the day they told my mother that Father bad disap-

peared." He was not allowed into the Gymnasium, or secondary school. "That was for working-class children." Instead, he joined the Zeiss-Ikon optics factory in Dresden, eventually hecoming a photographer and cameraman for the local television service. He never joined the East German Socialist Unity, or communist party. He lost his job in 1968 when he refused to support the Soviet-

led invasion of Czechoslovakia. Only once was he allowed to travel to the West - in 1986 to film. I went to Italy. It was marvellous. The freedom to Dresden? travel. The colours. The light. When I returned, my wife and I

applied to emigrate. We finally got permission. On October 3 1989, just as things were beginning to change. Nevertheless. Hirsch, who returned to

Dresden in 1993, is now responsible for the film and documentary archives of the Frauenkirche. The church is being remuilt as a symbol of Dresden's former glory, and the destruction of war.

As you collect old film and

photographs about the Frauenkirche and the city, what do you feel about the bombing of

"It was total war. Aimed at demoralising the people." Did that strategy succeed? "It had no affect whatsoever. It was too late."

000

"I can still feel the intense best of the fire." Ursula Schinck, aged 71, was sitting in the study of ber bome which is perched high over Dresden. On December 23 1944, she

Continued on Page XI

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Sport: Greg Norman golf's great enigma reaches middle age



Skiing : Downhill tips:

Books: The unauthorised Tony Blair χV XVII. XVIII Food & Drink How To Spend It

**NEXT WEEK** Salmon: the end of a

Joe Rogaly

# Think of it as protection

The poor are still with us. It is in your interests to help them

nuisance. They spoil the view, fill slums, demand social assis tance, beg in the streets, frequently get sick, drag schools lown, tug at our conscience, frighten us, breed criminals take to drugs – and worst of all, feed our subconscious terror at the thought of becoming unemployed, dependent on a state pension, out of luck, out of money, no longer one of us but one of them.

Can it have been Britain's lowest classes that Stephen Norris had in mind this week when he described users of public transport as "dreadful buman beings"? Surely not. The minister for more motor cars is by all accounts an amusing and intelligent fellow, one who might have expected not to be taken out of context, or, worse, literally.

Yet his phrase is a gift to the Labour party. It is impossible to resist the temptation to apply it to yesterday's report on income and wealth from the Joseph Rowntree Foundation I will come to the JRF findings in a moment; just note for now that bere is further evidence that, distressing as it may be to be very poor in any circumstances. It is worse under the Tories. daily accumulation of news items that suggest that since Margaret Thatcher took office

rich, and positive ecstasy to be super-rich. A single painting could sum up this view of British society today. It would show a corpulent, sun-tanned power industry boss in a limousine, and a gang of pale, thin, bored, angry young men on the pavement. No. I am not exaggerating.

Not much, anyway. Turn to that JRF report, which is signed by, among others, Howard Davies. He is no pinko. He is director general of the Confederation of British industry. The report's most devastating conclusion, drawn from a variety of statistical sources, is that during the 1980s the poorest fifth of Britain's population got nothing out of economic growth. Families in public housing, pensioners on state benefit and the long-term unemployed, are among those who received little or no real increase in income.

Some members of this "underclass" are actually worse off than their equivalents in the late 1970s. The authors say that an increase in inequality might be justifiable if the living standards of the lower income groups rose even slightly along with the rest, but this did not happen. In short, there is no sign of "trickle-down", a term used to describe the rubhing off of some of the benefits of national wealth creation from the rich to the less well paid. The liberal American economist J.K. Galbraith has his own version of this theory. The way he tells it, if you feed sufficient oats to a horse, there will be something at the end of it for the sparrows. The trouble with the Thatcherite 1980s is that the sparrows did not even get as much of what

emerges from the back end of

**Just think** about how safe you feel in certain streets at night'

horses as they had a decade earber.

I am not asking you to express soppy sympathy for unmarried mothers in council flats. Just think about how safe you feel in certain streets at night. A divided society is insecure. This ultimately threatens everyone, including the middle classes. "Just as in the last century it was in the interests of all to introduce public health measures to comhat the spread of infectious diseases fostered by poverty," says the report, "so in this century it is in the inter-

tors which are fostering . . . drugs, crime, political extrem-ism, and social unrest."

In short, Britain is becoming more like the US, a country where the wall-building indus try is the one to buy into. Walls around prisons, walls around ghettoes, walls around guarded suburbs, safe havens for the affluent. On this side of the Atlantic we can see where Reagonomics led; the mystery is why we are following the

same short-sighted pattern. It may he protested that you cannot have economic growth without some people getting richer. Granted, and good hick to them. Yet if you look at selected industrialised countries there is no clear correlation between the extent of inequality and economic performance.

During the Thatcherite 1980s the gap between rich and poor widened in Britain more rapidly than in any other country save, curiously, New Zealand. Such comparisons are never precise; there are too many statistical differences between countries. The trend is, bowever, clear. So is the inutility of "trickle down". Taken over the whole of 1979-1994, the growth in British national income was not particularly impressive when set against previous postwar

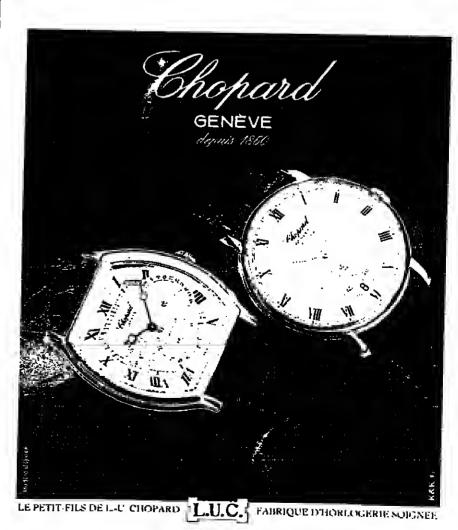
periods or other countries.

No one, not the Lahour

party and certainly not the Rowntree committee, has suggested putting the clock back to 1979. The shift in the balance of taxation from direct to indirect imposts is taken as a given. There is oo sugges tion of a higher rate for higher for the lower paid. It would be prohibitively expensive to nprate social security psyments in line with earnings rather than prices. That link could not easily be restored. The repositioning of the welfare system into one that encourages work is a common-

ly-held objective. You see? There is no revolution in sight. What is on offer is a list of specific improvements: to education and training, childcare, social security rules, and, in the gentlest possible way, some elements of taxation. As in last year's similar report from Labour's commission on social justice, the implication is that benefits sbould be targeted, not universal. The Tories patented thet one, and much else in the list besides, but their attitude is

This is why Tony Blair did so well out of inequality this week. The Labour leader's message about the need for the community to support the individual, is in tune with the 1990s even if the changes be would make are marginal.



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before the new year festivities

started. The first thing was a top to bottom cleaning of the house, to banish the evil spirits. Chinese

characters for good luck, health and

prosperity were hung on doorways.

cost of flowers but still buys arm-

fuls for new year. The rice bucket has to be filled up, to ensure plenty. All debts have to be paid. Everyone

And so to the food. The cooking of

Chinese food might be quick, but

preparations take hours, sometimes

days. Cutting, chopping, grinding,

should have new clothes.

Doris is aghast at the spiralling

### Lord of the lion dance

Kieran Cooke breathes a sigh of relief at the end of Chinese new year

stomach, feeling like a barrage balloon caught in a force IO gale, can struggle back to some sort of normality.

The banging of drums and clashing of cymbals is no more. There are no friends in the house, eating every last morsel. For the first time in what seems like weeks, there is no sound of sizzling woks and crashing of pots and pans.

Chinese new year can be a tense time in our household. This year, when the sign of the pig waddled in, was typical.

Doris, my mother-in-law, is a Chinese of the old school. Food - the eating of it, the discussion of it, the price of it - is central to her being. She must know not only what is for breakfast, lunch and tea, but what

elax. It is over. The is for dinner the Wednesday after mushrooms. Sweetmeats. Chinese

Doris (her late husband, captivated by her singing, nicknamed her after Doris Day) has visited us around the world. She stayed in Athens, in Oxford, in the west of Ireland. Now she trots up from her home in Singapore to see us in Kuala Lumpur.

Every Chinese mother feels her children starve when away from the home-fired wok. Her suitcase has few clothes. What it does contain is enough food to do justice to a Chinese supermarket.

I once accompanied Doris through Irish customs. The customs man, catching a whiff of some substance hitherto unknown to his nostrils, asked for bags to be opened. His eyes went as wide as mountain lakes. There were packets of dried

sausages. Mysterious bottles. He held up a carcass in a packet that looked as though it had been run over by a Dublin corporation steamroller. "And what Madam, would

Doris was shocked at such a show of ignorance. "Waxed duck, of course," she said. "You see at this time of year the spring winds are blowing in China and they hang out the duck to dry. Very good in cold weather. You cook it with..." Any further discourse was inter-

rupted by an almighty sneeze. The zealous customs man had made the mistake of taking the top off a bottle of Doris's home-made curry pow-der. We were waved through, the official's eyes streaming, his nose wobbling with exertion.

soaking, drying. In the midst of it all is Doris, crouching with a cleaver in her hand, ready to do battle with yet another piece of ani-The new year's eve dinner is the This year, Doris arrived a week centrepiece of the Chinese culinary



calendar, a banquet from which any normal eater retires, reeling, well before the last course is served. Each dish is a symbol of good luck and prosperity.

The Chinese for fish, yu, sounds similar to the word for plenty - so you eat platefuls of it. The round pleces of bean curd look like coins, so you gobble those down. Prawns, ha, symbolise happiness - those slide nicely into the stomach as

After a while you feel as though you may never stand, let alone walk, again. And still Doris brings more to the table. "More, more, cannot throw, got to eat," she says.
Finally the oranges arrive. The

word for them - gum - has a simi-lar sound to that for gold. So the more you eat, the richer you become. More oranges are consumed per head of population in Hong Kong than anywhere else in the world. On new year's day you visit close

family. In an effort to cleanse the overloaded system, you only eat vegetarian food. But in the days that follow, normal eating is resumed with gusto as the Chinese visit friends in a never-ending stream of "open house" parties. You go out, eat three meals at three different houses in the space of a morning, then return home to find a party of visitors waiting, rubbing their stomachs, on the doorstep.

After two days of this, I dreamt I was lost among a group of slithering prawns. For some reason they were laughing. I woke up in what seemed to be a war zone. No one had told me that we were having a good luck lion dance in the house. It was like the entire London Symphony orchestra warming up in the bathroom. At such times madness inches just that little bit closer. Now, thankfully, calm is restored. Doris is down in the kitchen, plotting what is on the menu for Thurs-

day week.
"So what does the year of the pig signify Doris?" I should have known the answer.

"Full stomachs," she said.

**Minding Your Own Business** 

### Bonfire of the bees

Clive Fewins on an ex-teacher who nearly saw his hopes go up in smoke

hen Adrian Perkins was awakened by explosions at 2am on an early November day nine years ago, he thought it was

When he looked out of a win-dow at the rear of his house he saw his garden shed workshop ahlaze and the building surrounded by firemen.

"It was a terrible shock. The fire was very intense and destroyed most of my equip-ment and stock," said Perkins. A worse shock was to follow when Perkins realised he had not insured the building or its contents, which represented the first five years of his beeswax polish company.

"The total loss was £20,000 probably more money than my husiness had made in the pre-vious five years,\* said Perkins, aged 55.

So it was back to square one. At first Perkins wanted to give up and try some other form of making a living. Instead, he borrowed £12,000 from the Midland Bank and £8,000 from his parents, and started afresh in a 750 sq ft industrial unit in the village of Cottenham, seven miles away.

"I was in business again in four weeks. I lost very few orders and have not really looked back since," said Perkins. Business expansion however has been steady rather than dynamic. Even though he is, he believes, one of only two small beeswax manufacturers that sell to shops throughout the country. Perkins turned over a mere £64,000 to his last year of trading.

"Nevertheless our net profit

year. This year I am confident of turning over \$70,000 and I am hopeful that profits will be up too," he said. If he had been asked 20 years

ago, when he was thinking of giving up teaching, what he would be doing in 1994, Perkins says he would have been quite unable to answer the question. "All I knew was that I did not want to be a teacher all my life," he said. "As I approached 40 I felt I was running out of

In 1975 Perkins took up beekeeping. He was soon hooked. In an apiarist's magazine he discovered an old Victorian recipe that he found made wonderful furniture polish. At the time he was teaching and living in Suffolk. In 1980 he married and he and his wife Rosemary moved to Cam-bridge, where she worked as a physiotherapist and he started the beeswax business in the

my first year, but things improved over the years until the fire forced a rethink," said Perkins. "On January 1 1986, I formed Cambridge Traditional Products with Rosemary as codirector and determined to expand my market."

"Using the agents leaves me

improvement on the previous on the export side," Perkins said. In the first few years I did far too much running around, I find using agents, who are trained salesmen. which I am not, works well.

"I pay agents above the going rate - 20 per cent if they they take the order to the customer - and in return I expect a high degree of loyalty. On the whole it works well. It is possible to get £200 worth of goods in an estate car, so most agents are happy to be responsible for delivery. When the chance of a big

'All I knew was that I to be a my life'

new account arises, Perkins visits the customer himself. Over the years he has tried and failed - to get his products on to the shelves of leading supermarkets and the shops run at many properties owned by The National Trust.

ucts in 18 of its 21 branches.

"It's going very steadily in

A possible development that could double Perkins' turnover is the chance of selling his products to a large paint company that wishes to expand its "It is very exciting," be said.

Together with recent export achievements - I sell to 10 countries - all this means 1 may have to expand my staff. We have the capacity to increase production by up to 41/2 times without needing new equipment or bigger premises."
Perkins, who is now divorced, has two part-time staff. Numbers expand to three

products - but buys his wax from a specialist importer. Beeswax is basically the same from every country." Perkins said. "It is the added

for a new product be is devel-

"It is a leather polish for which I have another old recipe," Perkins said. "The problem is that a key ingredient is hexane, which is nasty stuff and which I'd need a special licence to handle. If it could conceivably cause any harm to my staff I shall not proceed. But with a little common sense and intelligence we can probagoing to double our turnover ent that will help us produce a useful addition to our range."

free to make the polish and found a great hrand loyalty to Products, The Maltings, Mill Field, Cottenham, Cambridge

#### MINDING YOUR OWN BUSINESS

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Adrian Perkins with some of Cambridge Traditional Products' beeswax at the worksh

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"As a full-time producer of beeswax polish I made a loss in

Until then, Perkins had attempted to cover the country using a handful of agents. He soon expanded this to a team of 12 commission-only agents which he recruited by using a kins said. "The contract is not bly find an alternative ingredicommercial representative's register and the recommendations of customers.

run the husiness more effi- our products. Once people buy was £14,000, which was a great ciently, and also to concentrate a jar of our polish they stay CB4 4RE. Tel: 0954-251380.

However, this year he has sold to his first important store chain, John Lewis. It sells Cambridge Traditional Prod-

the John Lewis stores." Perthis year, but a new arrangement like this needs time to build up. Over the years I have Combridge Traditional

in busy periods. He no longer has time to keep bees - in reality, his own bees provided little of the raw material for his

ingredients and the recipe I use that is the secret." He has another secret he is unwilling to share - the recipe

### Art behind closed doors

#### Claire Frankel tries to view the collections of the St James's clubs

lubland in London is not exactly the OK Corral, but shoot-outs, albeit verbal, occur with some regularity. The latest comes at the United Oxford & Cambridge Club in Pall Mall. and threatens the loss of their crests (horror) if the exclusion

of females is upheld. As associate members. women may not use the bar and, incredibly, are not permitted to step on to the handsome marble staircase - although they may use the lift.

Art collections are among the lesser-known attractions of men's cinbs and, several months ago, I decided to pursue my interest in art by trying to visit a few.
I began with that Grecian wonder on Pall Mall, the Athe-

naeum, built by Decimus Bur-ton and garnished with a Parthenon-type frieze. My decision to start here was not for alphabetical reasons. It was marital - I am married to a member. I explained my request to the librarian on the telephone, who, after a leisurely pause and in the nicest kind of way, informed me that this gave them a problem. If I had not been so wedded, there would have been no difficulty

case, it said "no" by letter. Down the road sits the Italisnate palazzo of the Reform Club (it is liberal enough to take women as full members). Back came the answer, from the secretary, via a woman

similarly received. "We've been

- the club would have said "no" straight away. In my member. in short: forget it. My request to Brooks's was

straightforward route of con- "Some of the members are on the wall in 1981, of country tacting a club member to ask if 1 might make an appointment the Morning Room..." l might make an appointment to see the collection of "dille-tante" paintings, plus the Row-We slunk into what is curi-ously called the Sand Pir - I landson portrait of Charles James Fox and a group of Reynolds'e works. Sheridan

was blackballed twice; I was in good company.
Nil desperandum, I said, as I considered how to dress for my appointment at the Savile Club. 1 opted for unfeminine, inoffensive trousers. My gra-cious host, who had gained permission to be my guids,

Clubland is enhanced by its art and reflects and reinforces its members' taste

Begun in the 18th century. on Savile Row, the mostly literary club has moved twice since then and is now in Brook Street, W1. The handsome ballroom, with its 18th-century Bohemian chandeliers, slightly overpowers the John Nash watercolours and John Piper prints. Here, architecture in the grand manner is the major art form. We sweep down the majeetic curving stair - I should have worn a hooped skirt - and into the summy and comfortable Morning Room.

l particularly admired the William Nicholson (father of Ben) landscape, perhaps the best painting in the club. As warned about you," said Mr we made our way towards a Snell, the club secretary, on surrealist lithograph by Henry ery dining room is a vast, decothe telephone. I had taken the Moore, the porter sidled up: rative mural painted directly

considered renaming it the snake pit - which is devoted to former club members. Works include Nicholson's cartoons, caricatures and portraits, as well as his woodcut of Kipling; also Lloyd George, Kingsley Martin and H.G. Wells (with Mussolini in the middle) hy David Low; and items by Max Beerbohm, and Ayrdon'e drawing of C.P. Snow.

And so to Boodles. Boodles is frozen in the 18th century. Founded in 1762, the club, unlike Brooks's just across St James's Street, is not political and never was. The overall membership is landed gentry with the usual liking for country pursuits. As for its art, rare is the painting that is not of

In the Coffee Room, where lunch is served on weekdays, a massive oil of Dogs Barking at Stags by Abraham Honduis. 1671, bears down on those eat-

Boodles must have the definitive collection of Lynwood Palmer paintings. Six of the portraying winners of the Grand National, grace the stair wall and above each painting hang the original silks, harness and whips placed in a glass-fronted box. Being an art snob, I was particularly delighted to see the worthy Stubbs horse, tucked away behind non-reflective glass.

Boodles ladies have, since the 1960s, had a eeparate entrance to their own pariour/ restaurant space. Presiding over this decidedly less leathscenes found on a late 16th century tapestry at the V&A. The Arts Cluh, on Dover

Street, off Piccadilly, allowed me to come in and walk upstairs, past the huge Solomon J Solomon painting of Mrs Patrick Campbell, but would not show me around. The cluh has been going for 130 years and was historically

one for established artists

including Lord Leighton and Sir Winston Churchill - deal-

ers and critics were not

allowed. Nearly all the Royal Academicians used to be members; today, 17 out of the 46 There is nothing stodgy about the Garrick, in spite of Lord Lester's recent resignation over the exclusion of women. Through the glass doors of its small entrance hall, you glimpse the grandeur of curving oak stairs and a vast array of floor to celling paintings. They are a mere dol-lop from the collection of 700

portraits or theatrical scenes. The most valuable paintings are probably those by Zoffany. Dark hurgundy walls in the chandeliered Coffee Room are laden: Zoffany's King and Mr & Mrs Badhy sit over the fireplace and and there is an unfinished portrait of Garrick with Mrs Siddons. Sir John Millais's portraits and those of Gainsborough Dupont are scattered about,

Clubland is, of course, not about art. Rather, like home, it is enhanced by it and the taste of the members is reflected and reinforced by it. Clubs like to be cosily private - part of the privilege of privilege. If you want to see the art, do not ask. Find a friend who is a member

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the destruction of a giant star

in a supernova explosion, can

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under calmer conditions.

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#### PERSPECTIVES

حكذا من الاحل

The Nature of Things

# Waiting for the big wave

Gravitational ripples through space could cast light on the birth of the universe, writes Clive Cookson

A priority at present is to detect the "gravitational waves" generated by such vio-For 30 years scientists have been looking without success for these ripples through the fabric of space - originally predicted by Albert Einstein in his general theory of relativity. Now they plan to spend several hundred million dol-

sensitive detectors. The main reason for pursuing gravity waves is that "they give us an entirely new win-dow on the universe", says Ken Pounds, chief executive of the UK Particle Physics and Astronomy Research Council. Until now, astronomers have only had one way of looking at

lars of public money on more

what's happening, with electromagnetic radiation [light]." Light comes in a vast spec-trum of frequencies, from long-wava radio through microwave and infra-red, visihle and ultra-violet radiation. X-rays and gamma rays. But

photons, the particles that carry light, are subject to cer-tain fundamental limitations in particular, they cannot escape from inside the densest and most energetic systems in the universe.

So astronomers who try to observe a collision between two black holes, for example, can detect electromagnatic radiation only from the outer

Gravity waves are not constrained in this way, so they would provide our first direct view of the way space behaves under extreme conditions.

Cosmologists are especially excited by the prospect of glimpsing the most violent explosion of all time, the birth of the universe itself in the Big Bang. We cannot "see" the universe when it was less than 300,000 years old using elec-tromagnetic radiation, because it was too dense before then for photons to escape. Gravity waves, on the other hand, may still be reverberating around the universe from the first microsecond of its existence.

To imagine gravity waves,

sional sheet. A ball rolling across the sheet would set up tiny ripples analogous to gravity waves. These could be tected by measuring the way they distort space, squeezing in one direction and stretching in the other.

The problem is that gravity

is far weaker than the electromagnetic force that gives rise to light, so gravitational radia-tion is correspondingly feeble. The distortion expected is so slight - about one part in a million billion - that gigantic detectors are needed. Scientists are planning four

instruments: two in the US (Ligo), one in Italy with at the centre. This gives a

think of space as a two dimen- French participation (Virgo) and one in Germany with British participation (Geo 600). All will use a technique called

laser interferometry. Each detector will be L-shaped, with two long arms at right angles. The arms are identical vacnum tubes -4kms long in the Ligo instru-ments and 600 metres in Geo 600 - with super-smooth mirrors at both ends. In the mid-dle of the "L" is a laser, whose beam is split and sent down the two arms.

The twin laser beams are reflected up and down the and then allowed to recombine

characteristic "interference by terrestrial events. The scipattern of light and dark fringes. If a gravity wave passes, it will slightly alter the relative distance travelled by the two beams and produce a corresponding change in the

interference pattern. Since the instruments are measuring such tiny effects gravity wave will elongate or compress each arm of Geo 600 by no more than one-thonsandth the diameter of an atomic nucleus - they will be engineered with unprecedented precision and isolated from noise and vibration with an elaborate series of dampers.

bound to be jolted occasionally

of the direction from which a wave had come. Jim Hongh of Glasgow University, a leader of the Geo 600 project, says four big detectors are needed to pinpoint the wave's origin in space, by tim-Even so, the instruments are ing its arrival at each site. Although scientists are still

entists will weed ont these

local artefacts by comparing

the output from different

machines. Only a real gravity wave would give the same sig-

nal at instruments thousands

building a worldwide network

of interferometers is that one

on its own would give no idea

A more important reason for

of kilometres apart.

short uf funds to haild the whole network, they hope at least three instruments will be working by 2000.

At the same time they are planning the next step; a network of gravity wave detectors in space. The European Space Agency is considering the Lisa project, in which four satellites 5m kilometres apart would fire lasers at one another.

Few scieptists doubt that gravity waves exist. Indeed astronomers have obtained indirect cyldence for their existence by observing superdense blnary stars; such systems move in a way that exactly matches the predicted loss of energy through gravity

But no one has much idea what cosmologists will learn from observing the violent nniverse through a gravitational window, any more than Galileo knew what great discoveries in optical astronomy would flow from his invention of the first telescope.

waves.

### A struggle to come in from the cold

John Thornhill receives a warm welcome when he visits an oil town in western Siberia

lve hours flying time the isolated town of Kogalym where 60,000 hardy people make a living extracting oil from 8,000 nearby wells. That the town exists at all is remarkable. Only from a helicopter is it possible to appreci-ate the unremitting bleakness of the landscape.

As far as the eye can see there is little but stunted trees and hlotches of marshes on a patchwork of virgin snow. The sun, which in winter only stag-gers above the horizon, casts a dull glow across the snowdrifts where the temperature can fall der to learn that in the local dialect Kogalym means the place where men come to die. Yet it is the unlikely destina-

tion for one of the first examples of a Russian corporate press trip. As a market economy develops in Russia, and its cash-hungry companies scour the world for capital, some executives have grasped the value of public relations. So it was that Lukoil, which intends to sell 15 per cent of its equity to foreign investors, invited a group of journalists to its heartlands in the depths of

We are lucky - it is only minus 27°F when we arrive and we are soon treated to a warm Siherian welcome. A east of cold meats and salads has been laid out. The inevitable rounds of vodkas and

toasts quickly follow. Next morning, the company representatives escort us around their town. Kogalym contains many identikit 1960s Soviet tower blocks but the oil bosses have huilt a rare number of amenities too: an extensive sports complex; a music

and arts school; a newly-huilt hospital; and the delightful "Mowgli" kindergarten.

Anna Chubora, its headmistress, rushes round her domain describing its many features in an excitable chatter. A blur of colours, thanks to her peroxide blonde hair and loud blouse, she speeds through the pet room - including ducks, rabbits, tortoises and a polar owl - and on into the swimming pool where a dozen small boys, wearing oversized pink bathing

caps, boh up and down in ran-

dom motion. Their tongues loll

Journalists Russian news agencies competed to down vodka

as they try to copy the gymnastic gyrations of their beautiful instructress.

The school contains a computer room, where the tots play games, a speech therapy department, and a medical centre where the children receive solar lamp treatment in the dark winter months to help them grow. "For a small town interesting things to see." beams the headmistress.

At the subsequent press conference, at the headquarters of the local Lukoil subsidiary. Kogalymneftegaz, Semyon Vainshtok, the company's general director, takes great pride in the town's facilities saying It is important to look after the oilworkers.

But he concedes that Kogalym is far from being a typical Siberian oil town and says he does not know how long the company can afford to support such social obligations. He stresses how Lukoll is playing by a different set of rules where cash is king and profits the goal of every enterprise.

He talks candidly about the problems facing his industry. Lukoil, which has activities ranging from the well to the pump, has suffered less than

Vainshtok says the company is still plagued by plummeting production levels because of the country's economic upheaval, the crisis of interenterprise debt, the uncertainment and the idiocies of the export regime. In spite of it all, he says: "Our people do not live worse than before."

By turns charming and mildly menacing, the mercurial Vainshtok clearly commands respect. He says even the cows he owns stand up when he enters the town's covered farm.

His teeth flash gold when he smiles; his eyes flash steel when he glowers. Kogalym is a one-company town and the people are wholly dependent on it. Red Lukoil badges bave replaced the Communist Party insignia on the lapels of the overtly ambitious.

That evening we visit one of the town's banyas - a former party hideaway now converted into a bathhouse for guests. A director patiently explains how it is physiologically necessary to drink vodka hefore the banya - and cognac after. incredible though it seems, we leap in the outside snow after broiling for half an hour.

The following day we set off for Langepas, another oil town, which is also part of Lukoil's



empire. On the way, the resilient correspondents from the Russian news agencies. Interfax and ltar-Tass, compete to

down vodka. Physically intimate with each other in the manner of Russian men, they then fall asleep resting their heads on each other's shoulders and dribble down their jumpers. The driver forgets to turn on the heater in the truck. Four and a half bours later a dozen blue journalists emerge from

the fridge on wheels. A hastily-convened press conference is arranged where Viadimir Zazirny, the production-minded chief engineer, is little interested in fancy notions of raising money in him the cash to develop new wells. Yet Langepas is one of the few towns in Russia where people unhesitatingly say life is now better than before. The sincerity and the warmth of the welcome almost overwhelms. Another tortured although warmer - journey

hack to Kogalym. Another feast...more vodka. Although the trip provides a fascinating glimpse into the lives of working Russians, It is something of a mystery what message Lukoil is trying to impart. The information that is the meat and drink of financial journalists - and foreign inves-

tors - is largely absent. It is possible to see the social role that Lukoil plays in its communities and its impres-sive organisational abilities hut impossible to make an assessment of its financial per-

A Falklands' catalogue of errors

Michael Wigan on how human blundering has shaped the windswept islands in the South Atlantic

Just as the company is working out how it must present itself to the world, the media are also groping for meaningful questions to ask. Russia's leading executives

are rapidly changing their priorities and perspectives. From being the mere executors of the central planners' will, they have suddenly been transformed into extraordinarily powerful manager-owners in a free market sys-

How such hosses balance their aggressive instincts to make money with their obligations to the thousands of workers they employ will have a big influence on the shape of Russia's economy and the nature of its society.

As these companies raise tbeir sights beyond their ers. an unleashed capitalist

immediate problems, they could emerge as ferocious competitors in the world economy the world's 10 higgest oil companies are now Russian.

After consolidating five Russian companies, Lukoil, which already produces 15 per cent of Russia's oil, claims it will emerge as the higgest in the world in terms of known reserves - although this depends on the chosen method-

But, as one investment analyst noted. Russia's obsession with size has rarely produced results. The world's biggest cannon stands in the Kremlin but it bas never fired a

With vast reserves, few limitations from outside shareholddynamic, and a rapidly-developing appreciation of bow companies work. Lukoil's hosses appear to have every intentioo of making a bang oo the world stage. They are certainly proud, smart and intensely ambitious.

Amid the dramatic headlines of political upheaval in Russia. and war in Chechnya, it is easy to overlook the daily struggles of the urdinary worker and the extraordinary patience of the

Russian people. As we stand on the tarmac at Kogalym's windswept apport waiting to leave, it is hard not to admire the courage of those who consider this place as

It is harder still not to hope that whatever fate awaits such Russians it is easier than what has gone before.

#### Rover salas team visited ing a video tape of the vehicle'a performance, the inhabitants

just laughed. We were doing things in Land-Rovere they had not even dreamed of," said the raggedlyclad driver as we ground up a near-vertical slope.

When a new Land-Rover arrives, Falklanders spend a week making it "fit for use" he told us - they alter the springs, fit tractor tyres, and

Much of the gossip on the Falklands is about getting into and out of awkward spots. At this art, native self-reliant "kelpers" proved themselves considerably better than the British armed forces.

One story concerns a young squaddie going too fast who got stuck; efforts at extraction mada lt worse; a tracked vehicle sent to rescue him also became submerged. Eventually a Chinook helicopter arrived to suck everyone out of the mire.

The Falklands archipelago is a very large, trackless place. The two main islands, East and West Falkland, span 160 miles and are separated by a narrow sound. They lack many things most people take for granted other people, tracks, trees,

freshwater lakes. From one side to the other, the Falklands are a windswept plain, and because the mountains are massed together, you can see for miles. Land-Rovers traverse this terrain, slithering and churning, jacked up when stuck to let them go forward.



implement shed, drying-shed. and house - set in a sea of grass. Not far away, the ocean crashes on pebble beaches or bird-clad cliffs. Within a few hours' drive lurching over the "camp" (Falklandese for plain), will be the landing-strip at which all

islanders act as one-man airport authorities. They talk to the aircraft on the radio, run up the wind-sock, and have the fire-engine on standby hitched to the Land-Rover. Runways are mown strips from which geese and sheep have to be cleared before anything can

The Falklands farming family will be loosely surrounded by thousands of sheep. The 1980s has been the decade of land subdivision, a recommendation of Lord Shackleton's 1982 report, which attempted to break up the vast estates of the absentee-owners and create



No native animals survive; cattle and costs were killed off. Today, there are thousands of sheep

smaller units run hy homegrown Falklanders. One unsuspected result is

that the plains are even emptier. The generously-subsidised owner-occupiers, suddenly finding themselves masters of all they survey, have discovered that employing labour is unprofitable. They work harder, for longer bours, and rural employment has fallen.

esque upland geese, which stand in pairs (one white, the other cinder-red and grey! evenly dotting the landscape. and lending life and colour to the rinsed tones of the plain. swapping chain that, however

Of the Falklands population of 2,000, half live in Stanley. The rest are spread out in isolated pockets, encircled by the sheep, cows, horses, chickens,

sheep-dogs, and the pictur- shooting geese (a recognised own poultry. Loading the back of the Land-Rover with penguin eggs

The ahundant geese serve another purpose in a proteinhizarre, arises from basic supply and demand equations. Pigs eat geese: "You slit them up and let the porkers do the rest," as one islander daintily

Two farmers we visited were

pest) so that they could feed them to local raptors (birds of prey) to keep them off their

is still a seasonal pastime. Easier to appreciate is the Falklands recipe for snipe: put it inside a teal duck; put the duck in a goose; and roast. The history of ecology in the Falklands is a tale of human

hlundering. No native animals one species, a fox-like dog called a warrah, which was rendered extinct by people holding meat in one hand and a club in the other.

in the 18th century, the French let cattle loose; these became wild and had to be exterminated. When Darwin landed in 1834, wild cattle were the only island occupants be reported. In the 19th century goats were introduced; they also had to be killed off.

The catalogue of errors was continued with the introductioo of pigs, this time with the aim of reducing the colomes of a type of petrel considered injurious to sheep farming. Sheep had put in their appearance in 1852.

Meanwhile rabbits, rats, and feral cats were doing their bit to destroy the oative fauna. Direct actions by man included boiling down penguins for oil: several million went this way. One mystery remains unanswered. The Falklands has no ahorlginal people. Why? No trees to make fire, or boats? The prevailing westerly winds from Tierra del Fuego could have sailed settlers in.

The Falklands must be the largest islands in a temperate climate not to have been populated long ago. Unless, of course, a people existed there who used no stone, and left no trace. Peat covers a multitude of events. If so, the road-building that is now just beginning

should uncover something.

Or does the tameness of the wildlife prove that there is no fear of humankiod in the ancestral memory of the geese. the ducks (flightless steamer ducks paddle inshore to inspect you), the penguins, hawks and songbirds?

The Falklands is the only place where the domesticated stock - the sheep - run helter-skelter at first glimpse of man, while the wildlife closes in for a better look. A Rolland's grebe, found only in the Falklands, squinted brightly at me as I stood in the river, then swam under my fishing-line

and bobbed up the other side. Fishing-line? Of the tiny number of non-military visitors to the Falklands every year, most are anglers. Or most were anglers.

Poor catches in 1990 and 1991 slowed the trickle. The Falklands at present is almost unfished, except by locals. Which is odd, because it has the potential to be world-class

Fishing is now a service industry. It is not enough to have great rivers and bountiful fish; they have to be packaged and presented. Care must be taken of the river eovironment, knowledgeable ghillies provided, and anglers' comforts assured. Even on rivers which can make a fisherman feel he is the first fisher in the world, the niceties are neces-

The basic credentials of the Falklands are good, however. Sea trout, evolved from introduced brownies which have chosen to migrate to salt ers from January to April.

So impoverished is the insect and crustacean life in the rivers that fish enter to spawn and depart as quickly as possible - so fish are generally fresh. While deciding whether to run upriver they move with the tide, and the Falklands' long, oarrow estuaries are superbly fitted to the sort of saltwater sea trout angling which can be had in few places. Locals catch most of their fish this way and the sea trout can top 20lh.

Fishing statistics are poor fare. I offer two to give the flavour,

A fisher on the San Carlos River in six casts caught six fish of around 6lh. I saw 27 sea trout weighing between 11h and 6th being caught in two pools over three hours by one mesmerised fly-rodder.

As organisation improves. the Falklands will see once more those disciples of the fishing-rod, stumbling off the 16-hour flight undeterred, chasing the results of one of the few biological inttiatives in this remote land, with its slowly-unfolding charm, that has gone right.

■ Michoel Wigan's trip was coordinoted through: Go Fishing Canada, Swan Centre, Fishers Lane, London W4 IRX, Tel: 0181-742 3700

# A revolutionary in the style hothouse

Alice Rawsthorn visits Miuccia Prada, who turned a sleepy family company into a fashion force



Once, Prada was a cult-name sought after by fashion aficion-ados but little known outside this hothouse world. Now, as o Prada shop opens at the end of February in London's Sloane Street, all the signs are that Prada is moving into the fash-

little boy runs into the room holding a plastic robot in each hand with threads of red liquorice encircling his neck.
"Eh, Giulio," clncks his
mother fondly. "Just look at him. His elder brother is so serious. He likes educational toys. But this one? All be wants is plastic rubbish."

Miuccia Prada is not the sort of woman one would suspect of having a son with a weakness for sci-fi junk and liquorice snakes. She is, after all, the doyenne of Prada, the sleepy family firm that she has turned into one of the most successful forces in fashion; a by-word for modern elegance among the

Yet Prada, 46, is not a fashion designer in the conventional sense. She does not see herself as a technical innovator or a style dictator, but as an editor assembling collections of clothes and accessories reflecting her taste for cool,

Prada's little black dresses snappy 1940s suits and cash-mere twin sets reflect her own bohemian style, which has as much to do with the Disney videos piled up beside her eau de nil ottoman as the Mario Cavaglieri paintings on the walls of her Milan apartment.

Until now, Prada's British fans have had to be content with choosing from limited editions from the collection at London shops such as Joseph or Pellicano. But next week a Prada store opens on Sloane Street, where everything from its cult handbags to a full men's lines will be on sale.

The Prada story started in 1913 when Mario Prada, Miuccia's grandfather, began a business making bespoke trunks and suitcases for wealthy Italian travellers. Mario was an adherent of "Stile Liberty", the Italian answer to the Arts and Crafts movement.

"He was very eccentric," says Miuccia. "If you look at his work from the 1920s, there are lots of strange images and

details. It was very adventurous for the era."

The business flourished in the 1920s and 1930s, but flourdered in the post-war years. It ticked over after Luisa, Miuccia's mother, took control in the 1950s. By the late 1970s. When Luisa decided to retire. Prada was just another rem-nant of the faded grandeur of pre-war Milan.

Miuccia was then, at 28, an aspiring politician. She had read political science at Milan University, where she fell in spent her days at political protests and her nights around Milan with fellow bourgeois rebels. Like most politicallyactive women of the 1970s, she found it hard to reconcile an interest in style with her pas-sion for politics.

But she fell in with her mother's plans. All that was left of Prada by then was Mario's old shop in Milan's Galleria Vittorio Emanuele Miuccia had no design training or technical skills, but she did bave clear ideas about what she did and did not like

"I'd always loved fashion. Yves Saint Laurent was my favourite. I wore his things all the time in the 1970s - even to political protests. People looked at me strangely when I handed out pamphlets in my expensive clothes."

Her first addition to the Prada range was a shoulder bag, made from pocono, the industrial nylon used by the Italian army, with a glitzy gold chain strap that made it look like a post-modern parody of the classic Chanel bag.

"They weren't successful at first," she recalls. "People first," she recalls. "People didn't understand what we were trying to do."

The bags gradually took off. Miuccia, belped by her hus-band, Patrizio Bertelli, added shoes, accessories and, finally clothes to the range. Patrizio took charge of the business and Miuccia concentrated on and Muccia concentrated on design. She works like s French éditrice: envisaging how each piece should look and specifying what she wants to teams of designers and production specialists.

"I've always known what I wanted. It's always been a question of persuading other neonle to make it for me."

people to make it for me." Those first clothing collec-

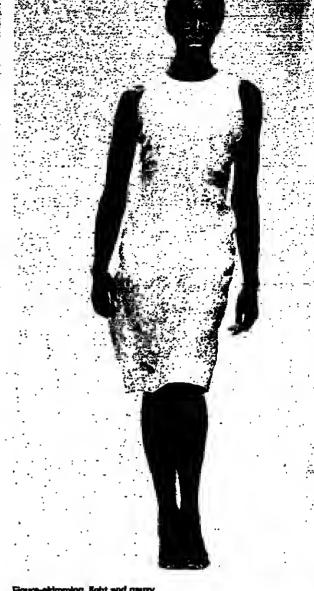
tions consisted of a few classic pieces - cashmere cardigans, plain white shirts and nylon parkas. She then graduated to showing complete ready-towear collections alongside the The Prada show is a high-

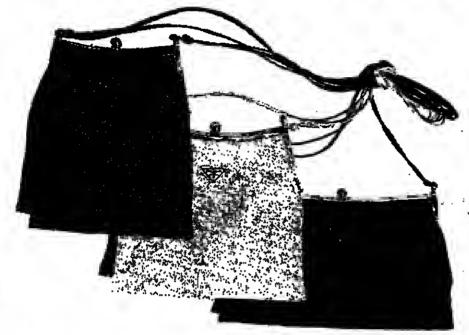
light of the Milan season. Miuccia's simple, uncompromisingly contemporary taste is perfect for the easy, understated dressing of the 1990s. This winter, aided by Calvin Klein, she signalled the death of the short skirt by dropping hemlines to the knee. Her patent leather begs and snappy, military suits were must-have items.

But this spring the Prada









For spring and summer Prada has some vital accessories: dusty pink high-wedge strappy shoe, and the handbeg shape for summer in pa

cia's strength as a stylist lies in her skill at blending the old with the new: which is perfect for the fusion of futurism and late 1950s glamour which dominates this season's fashions.

The key items from the current collection are likely to be the slinky satin dresses with matching La Dolce Vita coats, the swirling skirts and jackets with chunky industrial zips

Moneypenny!" suits.

The essential accessories are the narrow satin belts, the strappy stilettos with transparent ankle straps and Prada's little satin purses. These are the trophies that the fashion editors will forage for - or fight over - when they descend on Prada during the Milan fashion collections.

Lisa Armstrong, associate

look is even stronger. Miuc- and Miuccia's "Oooh Miss editor of British Vogue, always makes a bee-line for Prada between the Italian shows.

"I love the Prada look," she says. "It's always classic, but never bland. I've bought some things there, s classic mac and s velvet tunic, that I'vs worn for years. It's a wonderful blend of the old and the new." Prada is not the preserve of

lined like an old-fashioned anoprofessional fashion flends. Deborah Botwood Smith, head Susan Prevezer, a barrister,

wore my Prada parka every

day. It looks good and it's

warm, because it's properly

of corporate communications buys Prada shoes for court -"always stylish, they never for Visa Europe, shops at Prada. "The clothes are so well lose their shape" - and dresmade. I spent s few weeks in sier pieces for evening. Lillehammer last year when "The Prada style is simple, but slightly quirky," she says. "It also flatters but in a very sub-Visa sponsored the Winter Olympics. It was freezing. I

tle way. A Prada dress makes you feel sexy, but never babeish. You feel good because

you're wearing it for yourself, not for other people." Prada is now an interna-

tional business with 47 shops and annualised sales of over L200bn. Miuccia still scrutinises each collection but cheerfully admits that she delegates most of the bag and shoe design. "Our designers are so good that they know exactly what to do."

She seems to have settled happily into life as head of the family company. The Pradas still live together in an hotel particulier on the Corso di Porta Romana in Milan.

"My mother is over there," says Minccia, pointing across the courtyard. "My brother is there and his divorced wife there." She rolls her eyebrows at the windows.

She and Patrizio live under the glazed roof of an open-plan area at the back of the courtyard. "It was a warehouse that my father built when be ran out of money in the 1950s."

Today it is a sumptuous space bousing all her treasures: the Cavaglieris, her Venini glass, precions scraps of flea market fabric and bowls of roses. The blue Fiat 500 that she has driven since her early

20s is parked proudly in front. Then there is Giulio, greedily eyeing his Disney videos. Enter Lorenzo, his elder brother, firing furiously at his mother with a plastic machine gun. This is the "serious" child? The one who likes educational toys?

Oh no! I did say that didn't I? Ha! Well so he does - just not today!"

hat is your notion of the Ideal St Valentine's Day? A morning when half a dozen cards replace the usual bills on the doormat? An evening in which you can expect to exchange thoughtful surprise gifts with your live-in partner? Or the blessed relief of 24 hours when nobody so much as whispers the word

If you are in the third category, you are not alone: 68 per cent of adults questioned in the week after last year's Full hearts and full tills

Judith Gubbay explains why shopkeepers love Valentine's day

schmaltzy season claimed they in any way. Most of the other 32 per cent had sent or handed over at least one Valentine card (27 per cent). The second most popular romantic gesture was flowers (6 per cent) choco-lates (4 per cent), a meal (2 per cent), cuddly toys (1 per cent).



followed by perfume/aftershave, underwear, and treating them to a holiday or weekend break. There is, of course, a fourth

reaction: from those people whose businesses receive a heartening boost. The Valen-tine's Day industry is worth an estimated £25m in cards, and a further £22m in flowers and plants. The Post Office estimates it will handle about 10m cards this year, while a BT survey shows that one adult in five is planning to give his or her love a ring (by telephone, that is). The jewellers are happy too. Brian Wentworth, of Boodle &

Dunthorne, says: "Valentine's day is the most important occasion for selling real jewel-lery after Christmas and birthdays." He says there is a move away from heart-shaped items towards gold eternity rings and pearl and gold designs. John Donald, a designer and goldsmith, says: "Romance is

still alive in the City. It is mainly men who buy Valentine presents. They may choose from the existing range of jewellery, but often prefer to commission a special item." Florists - with their seasonal

atock-in-trade, the longstemmed red rose - face the greatest pressure. Seven milbon red roses are to be sacrificed to the demands of lovers on February 14.

Angela Henderson of Interflora estimates that 90 per cent of the floral gifts sent or given for Valentine's Day will

with lilies or white tulips instead of red roses. They are more fashionable, and tulips do mean red-hot passion in the language of flowers, after all."

Interflora has a hand in more than 500,000 Valentine's day orders - and that excludes all the locally-ordered flowers through Interflora member florists, not to mention the

Younger people are choosing lilies or white tulips instead of red roses. Tulips mean passion

flowers-direct postal delivery services. Esch year more women send flowers to men than ever, but they still add up to just 10 per cent of senders. Some 60 to 65 per cent of Valentine's day cards bought are in the "I love you, and therefore I am sending you a card," category says Ray Cous-ins of the Greetings Card Assoclation. In other words: "You know it's from me, even if it isn't signed." Mostly they are from wives to husbands and vice versa, and they are likely to be in the higher (£1.25-plus) price range

The rest of the market is split between people who are be buying fust one item from not in a relationship, but are us, but then there are the flowinclude at least one red rose. sending a genuinely anony- ers, and the special dinner, and

However, "younger people are starting to choose boungers start one, and those who buy six to eight low-price cards and scatter them around to irritate and embarrass. One in 10 in the survey claimed they had sent two, three or even four cards: multiple card sending was particularly popular with 16-to-24-year-olds and unmartied people, but it was the nolonger-married who were most likely to gladden the greetings card industry's heart: 23 per cent of widowed, divorced and separated people said they had sent two or more.

It is possible, however, that not all the cards are declara-tions of romance: Clintons cardshops already stocks "Valentine's Day Greetings to my Daughter" while a 1995 new-comer is a "Happy Valentine's Day from your cat".

Chocolates are a Valentine's day speciality. Thorntons, which has 550 chocolate shops. expects sales to triple compared with the average week. For Thorntons, Valentine'e day is the third biggest season, after Christmas and Easter. The company expects to sell 75,000 of its £2.99 milk chocolate heart-shaped plaques.

For the doyenne of lush lingerie, Janet Reger, Valentine's day is also a big day. Takings are three times more than in a normal week. "A man may buy a £20 G-string or spend thou-sands of pounds," says director Aliza Reger. "You have to remember that they will often



When you have received a letter you first of all sit down; cutting open the envelope is done slowly and resolutely, as though diffidently raising the lid of an enchanted chest, wrote Karel Capek quoted in Love Letters, An Anthology of Passion, £14.99, Weldenfeld & Nicolson. The painting is by Albert Watson

all the other treats." John H, a retired company director, agrees. He believes in making the romantic most of the occasion: "You start with the flowers, and the really special way of putting your message across - like an antique David D agrees: "Deborah Valentine card - and you fin- made me a whole pink dinner ish with the champagne in bed. one year. There were king

You'll enjoy doing all the preparation, and then you can both enjoy the results together."

It's fun to be on the receiving end of a wittily-executed Valentine gesture, as successful thirty-something journalist

prawns and salmon, followed by a heart-shaped fruit mousse, served on a pink table-cloth with pink candles. By a happy coincidence, I had brought her a bottle of pink champagne (as well as a bunch of red roses)! She'll have to wait and see what I'm going to do for her this year!"

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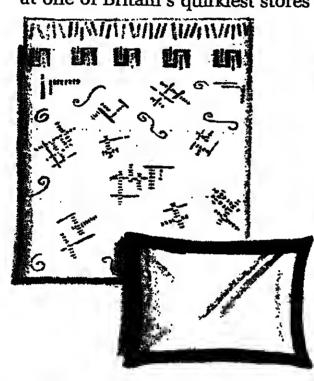
ATTEMPT CHARLES AND AND

#### HOW TO SPEND IT

### Liberty gives its divisions freedom and love

thouse

Lucia van der Post on exciting days at one of Britain's quirkiest stores



or some time the del-icate antennae of London's most fervent shoppers have detected that some-It felt that certain precious thing interesting is underway in the retailing world. Until recently, if asked to name their favourite department store they would have plumped for Harvey Nichols but in recent months there has been a grow-

ing sense that Liberty is where the excitement is. Liherty has always had a quirky personality born of its complicated roots in the Brit-ish arts and crafts movement and hnccaneering trade with the east. This is why down in the basement there are oriental carpets and exotic eastern treasures brought back from epic journeys, while up on the fashion floors sit incongruously ladylike blouses in Tana lawn and shawis in old-fashioned Liberty prints. In the furnishing fabric department there are pretty rose-covered chintzes sitting beside Indian crewel-

As a certain eccentricity, or element of surprise, seems to be essential for successful retailing, Liberty has always held a special place in the hearts of the British. Nevertheless it is no secret that its financial performance over the last three or four years has been what Richard Stewart-Liberty, one of two members of the founding family on the

board, describes as "flat". The mix had remained too static, the quirkiness out of tune with the times, almost perverse. The woman who bought an Issey Miyake dress on the rejuvenated fashion floors was unlikely to be interested in the Liberty scarf on the ground floor. The man who came to Liberty for his relaxed designer wear wanted something more contemporary in his home than eastern artefacts or British arts and crafts.

Something had to be done. The strategy adopted is fascinating because it is in complete contrast to the usual strategies adopted by retailers in distress - instead of rationalising and centralising and cost-cutting, the board decided

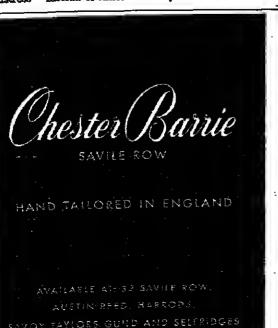
bits of its business, which had always been crucial to its success, had not been given the love and care they deserved. These would be split into little groups and given their own teams who would cherish them and nurture them in the way that no large, overall central body ever could. Stewart-Liberty was put in

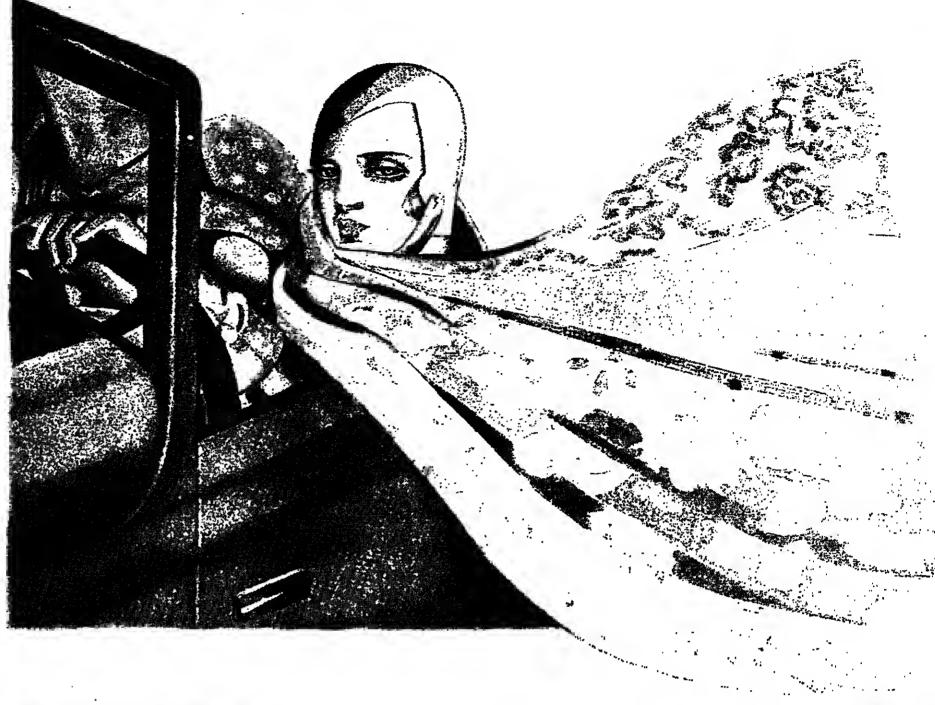
charge of one of the most important of the new ventures - the development of Liberty own hrand products which could be wholesaled all over the world. The aim is to build the Liberty name into an international luxury brand. At the moment it is the smallest and youngest of the company's divisions, providing a mere 5 per cent of its turnover, but it should double in size this year. Patrick Austen, the chief execotive, hopes it will eventually deliver a significant proportion of the group's profits. Liberty wants all its own

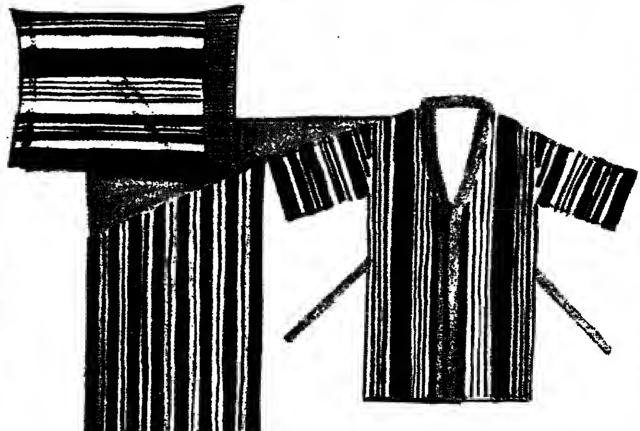
hrand products to be inspiring ("unless we can define a point of difference with what is already on the market wa will not have the ability to build on that brand," says Austen), Brit-ish, eclectic, inventive and able to be sold internationally at the highest level.

For, as Stewart-Liberty puts it: "Liberty is the bones of a worldwide business which as yet does not have enough flesh. We aim to see the bones very well-covered. After all it is a name that almost everywhere in the world stands for some-

Scarves, a quintessential Liberty product, were the first to receive care and would seem to meet the brief triumphantly. Quincy Leon, the designer in charge, has produced a ravishing collection of scarves. When Liberty took the collection to Pret-a-Porter in Paris the stand was besleged by luminaries from the fashion world (Paloma Picasso, Kenzo, Rive Gauche, Lalique) asking either to buy in the scarves or for the







designer to create a special range for them to sell under

their own labels. Quincy's aim was to produce "scarves to kill for", scarves with a feeling of craft about them. "After all, much of our history lies in cloth and tex-These scarves are not cheap - they are made in fin-

est gauzes, in silk matelasse

(gauzy silk with fine patterns cut into it), in georgettes with subtle jacquard patterns. For next winter there is wool gauze backed with chiffoo, velvet devoré, or velvet in rich Byzantine colours with generous pompoms at the corners

They retain the air of handmade, hand-crafted items which represent a lot of what Liberty stands for.

Liberty learns from its own fashion department. There, Tom Morgan has doubled his business in the last 21/2 years. He discovered that his customers looked for the unique and the different.

Now, the customer who comes to buy from the adventurous and directional collections by designers such as Issey Miyake, Callaghan, Martin Margiela. Jean Muir or

Vivienne Westwood will find

that there are scarves that

to bottom are: Odile chiffon-bordered matelas silk, in seven colours £135; Claire, silk georgette acquard, long scarf in seven

First off the Liberty Brand

collection of ravishing

desirable scarves (abo

which go on sale on

February 16.

Products' drawing-board is a

Illustrated above from top

dusky pastels, £125; Marguerite, silk gauze in four colours, £115; Gilda, silk gauze with floral pattern, in four colours, £115; Seagren, silk georgette jacquard in four colours, £125). The bedlinen collection will not be on sale until mid-July. Left: 100 per cent yarn-dyed shirting is used for a kimono (£35), duvet (£32 for a single, £42 for a double and £53 for a king size).

Pillow cases, £11.50. Above left: The blue and white collection comes in many weights and variations. Illustrated here is a fine organdie embroidered and appliqued bedspread (£70 for a single, £80 double and £95 kingsize). The blue-edged pillow case is £45.

match their bigb nesthetic standards. Liberty will discover just how successful the range will be when it goes oo sale on February 16 in Liberty and at specialist fashion boutiques and good department stores across Britain.

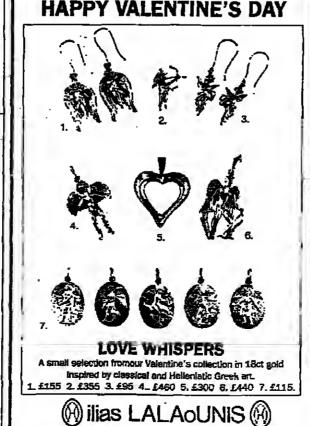
Lots of other ventures are already under way. The gifts division also comes under

Stewart-Liberty's Liberty Brand Products umbrella and so does a home division where Nicky Lesborel has made an adventurous start by developing a bedlinen collection which goes by the name of Zizz. The nnispea products will not on sale in the store until mid-

July. It looks exciting.
"Because Liberty is traditionally a cloth company," she said, "I have paid a lot of attention to the feel of the linen. I've started by developing a small collection of basics into which we can build more fash-ion-conscious desigoer elements later on.

"I wanted to create the feel of a collection of bedlinen that people might have collected through the years. There are very few colour groups mainly blue and white, grey and white and a warm, terracotta - but within each colour group there is a great deal of variety and choice which sbould allow people to play with the individual elements and create schemes of their

Liberty Brand Products office is buzzing - Richard Woolf is doing beds to set off the bedlinen collection, a casting of Michelangelo's statue of David is being chopped up to make vases or containers (under the direction) of Nigel Coates), meraiwork from India is coming in. demountable unhelstery is being experimented with. pieces of fabric and samples are everywhere. But if I were you, I would hurry for the



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Edmund Penning-Rowsell considers the controversial question of how to serve your burgundy or claret

Italy, ever being served fine old wina in a decanter. But in Bordeaux, with its British and Irish associations, one of the wines that I count among the finest clarets 1 have ever drunk - Lafite 1875 - was served from an English claret

Elsewhere in France, including Burgundy and the Rhône, it is very rare. A leading Beaune merchant once told me: "My grandfather would have beaten me if I had decanted one."

Red Burgundy has less tannin and sediment than red Bordeaux and, on one or two occasions in London when I drank a decanted bottle and a nondecanted one, the latter had a little more nose and freshness. But then in Burgundy they

decanting is to remove the sediment. The amount varies considerably - a young claret may have as much or even more than an old one. I am inclined to believe that a basic Cabernet-Sauvignon wine (in the Médoc and Graves) may have more than the Merlots of St Emilion and Pomerol.

The other purpose for decanting is to give the wine light oxidation by which the bouquet and the flavour can fill out. But how long does this mean before the wine is

Last year, the 11 premier grands crus of St Emilion held a dinner in London at which their excellent 1982s were served. I asked M. Valette at

#### LAMELOISE AT THE SAVOY

London's diners will have the opportunity to sample the food of celebrated French chef Jacques Lameloise this month when he cooks at the Savoy Hotel.

It is the first time that the Savoy has invited a guest chef and ameloise has been lured from his three Michelin-starred restaurant in Chagny, Burgundy, from Monday February 20 to Thursday February 24

As a special offer to Weekend FT readers, the first 20 who book the Lameloise menu for lunch or dinner at the River Restaurant will be offered a complimentary bottle of Joseph Faiveley white or red wine. (Only one bottle per reservation regardless of size of party.) Lameloise will be offering a £37.50 set four-course luncheon, a

£45 dinner menu and an eight-course menu dégustation for £65. Dishes on the £37,50 menu include: raviall of Burgundy snails in a garlic bouillon, fillets of lamb with fresh herbs enrobed in rice, and chocolate terrine with an orange marmalade. A selection of cheeses will be served from maître fromager Claude Anthès. Take the opportunity to sample the L'Epoisses de

Bourgogne, an AOC cheese which is sensational. Coffee and petits fours are included. The offer applies only to the Lameloise menus - not the regular River Restaurant menus offered by chef Anton Edelmann

The Savoy Hotel, 1 Savoy Hill, London WC2. Tel: 071-896

do not recollect, when in tend to have large, often over-ltaly, ever being served sized glasses that "air" the did he decant his Pavie at home. Two bours, he replied The proclaimed reason for

More recently, when visiting several Bordeaux châteaux, I asked the same question and the answer was generally "1% to two hours". But one respected proprietor said "up

In Baron Philippe's days at Mouton-Rothschild, the clarets for dinner were stood up in the morning. They were decanted, including very old wines, by Raoul Blondin, the mostre-dechai, before he finished work for the day at 5pm to 6pm for a dinner that never started before 9pm.

The decanters, closed with straw stoppers, had very long necks for ease of pouring between those seated at the dinner table and were designed

by Baron Philippe.

Personally, I would be e little scared to decant even fairly old clarets - say 1961s - as long beforehand as that, and with substantially older bottles I would be inclined to decant just before serving, and to fol-low younger wines. Otherwise, because of other preparations, I must admit to decant often not much above half an hour before a meal. It is uncommon to decant

white wines, and German wines never, for if a dry white is circulated in a decanter for a second time around the table it is likely to become too warm. However, there is a good case for decanting a Sauternes or other sweet wine, as this enables it to develop the bouquet and luscious flavour. Vintage port should always be decanted because of the

heavy sediment, but the lecanter of sherry on the sideboard for droppers-in has vanished; for sherry suffers from too-long exposure to the air. HOW TO DECANT: The tradi-

tional way is over a lighted should also be on the table to candle, but if the bottle is dark, inform visitors of the name. it is necessary to put it so near the flame that the wine may be

If two or more wines are to be served from similar decant-ers, these should be marked, otherwise it is all too easy to confuse them. A decanter on the table adds

something to its decoration and sense of occasion. I am inclined more than once to decant all fine red older wines (except Italian for no definable reason) of more than a dozen

or so years in age. Old decanters are often less expensive than expected, and tha plain, three-ringed neck Classics", dating from 1810 to 1820 or so, are admirable, but cut-class should be avoided, as the colour of the wine is refracted. An old decanter also adds to the occasion.

Cookery / Philippa Davenport

Pick the cream

of the crop

Coventry University. Together the team is huilding up (by

means of micropropagation) a

potato library of more than 200

He is aided by scientists at Potato Day and the Henry

Most of the wine merchants who specialise in vintage & Barrow of London EC1 (£43.65 for claret jugs bottle-

wines list decanters. These include: Adnams, of South-wold, Suffolk (bottle-size £25.70 - magnums £41); Berry Bros and Rudd, London SW1 (bottlesize £23.35 - magnums £29); claret jugs £31 and £38) Corney size £25. - magnums £27).

Doubleday association will be open to the public that day

from 10am until 4pm. There

will be talks, tastings and dis-

cussions with plant breeders,

gardeners and other experts.

Scores of potato varieties will

be on display, including some

very rare ones. There will be a

potato lunch. And the opportu-

nity to buy seed potatoes to

grow at home - 60 different

LATRES

This recipe comes from Lind-

sey Bareham's splendid com-

pendium In Praise of the Potato. Delicious with a crisp

green salad for Sunday supper, or, as she suggests, with cold

meats, soured cream or a tart

(optional); 2 tablespoons mat-zah meal or self-raising flour;

2 eggs; oil for frying. If using an onion, grate it.

Then grate the potatoes. Rinse the potatoes, drain and dry them. Mix the potatoes, onion,

flour and beaten eggs to a bat-

ter, seasoning with salt and

pepper. Heat %in of oil in a frying

pan. Drop about 1 tablespoon

of the mixture per latke into the pan. Spread the mixture

quickly into thin rounds with

the back of the spoon and cook

for e few minutes on each side

until crisp. Drain and serve

■ The Henry Doubleday

Research Association is at

Ryton Organic Gardens, Ryton-

on-Dunsmore, Coventry CV8

3LG. Telephone: 01203-303517.

piping hot.

Fax: 01203-639229

1 lb potatoes; 1 small onion

apple sauce.

# Lunch UllXU for a Fiver

lunchers wrong? That is the enjoyed the 1995 Pinancial Times lunch promotion over the past two weeks and their obvious enjoyment has not been lost on the 308 restaurateurs who have taken

Throughout the past fortnight, the FT's telephone chasers have been calling rostaurants early every morning (before the reservation lines get busy) to check availability of tables for the following day and to find out whether restaurateurs are keen to continue the FT menu at their chosen price level.

The good news is that many

are planning to do so and any reader keen to repeat an enjoyable FT lunch during the rest of this month should keep a copy of the complete restau-rant listing and call the restaurants directly.

A comprehensive round-up of all that this fortnight has produced in terms of fun, sales, anecdotes and lessons for the restaurant-goer and the restaurateur will appear in the Week-end FT on Saturday March 4 with the names of our competition winners.

However, even at this stage, it is possible to see a difference between the original 1993



Lamch for a Fiver promotion and its 1995 successor.

Two years ago, Lunch for a Fiver was a ray of sunshine in the middle of the recession, an excuse to lunch in spite of the economic gloom.

For restaurateurs it was a sharp reminder that their pricing structure, which had surged ever newards during the 1980s, had lost touch with their customers' wallets. In the 1990s the emphasis has to be

tive many restaurants' lunch trade is to marginal pricing, particularly during the quiet February period.

from £5 to £7.50 and £10, the FT has allowed many restaurateurs to reach a market they never thought was there

The pattern has been starred Winteringham Fields, Humberside, summed it up for many: This promotion has anything that smacked of we're having a hard time and are desperate for anything that comes our way'. But this fortnight has brought us the business customer who thought we must be horrendously expensive and they have all been that our normal two-course lunch menu is only £12.50. We

Nicholas Lander

#### **OVERTON'S** 5 St James's Street . London SW1

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Many restaurateurs have fol-

lowed these lessons diligently. But the impact of the 1995 pro-motion has shown how sensi-

The Hole in the Wall, Bath. instead of serving a £12.95 business lunch menu to 12-15 people has been serving a £5 menu to 40-50. In west London, Rose Gray, chef/proprietor at the River Cafe, was still in her kitchen last Friday at 5.90pm saying that she had cooked 120 lunches that day instead of the usual 40.

repeated throughout the country. Annie and Germain Schwab, who run the Michelinbeen a great learning experience for us. In the past we have always steered clear of pleasantly surprised to learn feel sure that as a result of this FT promotion, our lunchtime business will be hotting up."

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- and readers must quote the FT offer when making e

ancis Robinson, the Weekend FT's wine writer, won the André Simon Memorial book fund award this week for The Oxford Companion to Wine (OUP, £30, 1,088 pages).

Already regarded as a stanis in its third printing and won Jancis the £2,000 top prize. In a successful evening for the Weekend FT's food and

drink team at the awards ceremony in New Zealand House, Haymarket, London SW1, Edmund Penning-Rowsell was short-listed for his history of Château La Tour (Seagrave Faulkes, £150, 572 pages). Winner of the food book

eward went to chefs Simon Hopkinson and Lindsay Bareham for Roast Chicken and Other Stories (Ehury Press. £18.99, 230 pages). Jill James

■ Waitrose has just taken delivery of what would make an excellent house white, for the next few months at least while it is still bursting with fruit. Le Puialet 1994, a Vin de Pays du Gers at £2.99, shows that Gascony is fighting back at the tidal wave of inexpensive Colombard now being shipped in from South Africa. Jancis Robinson

Talking of which, Thelema continues to produce some of the best value finer wine from the Cape. According to John Platter's newly-published South African Wine Guide 1995 (Mitchell Beazley, £8.99, a symbolic and detailed addition to its pocket wine guide range), Thelema's Gyles Webb was asked the price of three of his bottles by a rather grand French visitor, Aubert de Villaine, of Burgundy's fabulous Domaine de la Romanée-Conti.

"No charge. I'll swap them for three of yours," ventured Webb. Even Khrushchev, the former Soviet leader, failed to winkle a free bottle ont of Romanée-Conti, it is said, so it is hardly surprising that this gifted but relatively debutante South African wine producer failed too.

Thelema's first vintage was 1987, but the wines on sale at Oddbins Fine Wine Shops in £7.50/\$10, 224 pages).



**Appetisers** 

### Prizes for FT duo

London, Edinburgh and Glasgow are well worth the £7 to £8 being asked. These wines would make an excellent introduction to the South African wine industry's exciting new

■ So you like architecture and cakes? Then pop along to the Royal Institute of British Architects' centre, in Portland Place London, W1, where the e café on the floor of the grade II listed building. Breakfast, light lunch and

tea will be served and, if it ever stops raining, seating will be available ontdoors this summer to the sculpture court. All architecture centre exhibitions are open to the public – and free. For inquiries ring 0171-580 5533. 0171-580 5533.

 A practical accompaniment to last week's review of the latest New York restaurants is Eric Ashpov's Guide to the Best Inexpensive Restaurants in New York (HarperCollins,

#### BENGAL CLIPPER BY THE RIVER

At Butler's Wharf, Tower Bridge, exceptional Indian cuisine in a magnificent environment enhanced by live grand piano every evening. This large and stylish restaurant has just been acclaimed as one of 1994's best. For a reservation, please calls 071 357 9001. Corner Shad Thames/Curlew Street, London SE1.

traveller are entitled "Eating in Museums' (although it omits the new and fascinating T - the tea salon/restaurant onder the Gnggenheim Museum, SoHo) and "Eating Cheaply in Fancy Restau-rants" which shows how with, New York gall, you can share

a dessert in an expensive res-

taurant to keep the bill down. ■ How do you serve, politely, hot espressos and cappuccinos to 3,000 concert goers during an interval of no more than 20

minutes? That is the challenge facing the Aroma company which, this month, won one of the new catering contracts at London's South Bank Centre.

To find the company's fastest cappoccino makers, the management held London's first Coffee Olympics at its HQ in Camden Town, north London. Initially, 10 teams of two bad to handle orders involving serving 18 different coffees to a queue of 20 customers. The teams had to greet, explain and thank all customers, serve the drinks and take their money. The winning team, RuRn Cook and Jeanelle Bull,

took 4 minutes 30 seconds to do this. In the individual event the winner was Tino Voulitanen who, in 3 minutes, made 12 01768-881848.

Two sections which might cappuccinos, took the cash, prove the most useful to any gave change and served five gave change and served five other coffees from the jug. Aroma's presence is part of

over-warmed or the bottle

might crack. If no electric light

is available, a vertically-placed

torch will do. just as

Red wines look best against

a white cloth - not so common

these days - and the bottle

reorganisation of the South Bank's food and wine - I must declare an interest since 1 am the South Bank's consultant which has for the first time introduced internal competition to the site. Sutcliffe Catering manages the bars, the Fes-tival Buffet and Riverside Café. A new restaurant, The People's Palace, will open on March 16 to be managed by Joe Levin of The Capital Hotel, London SW3 with television

chef Gary Rhodes. · Nicholas Lander

■ Next month Paul Merry leads more baking courses for groups of five er six in his house, the former Black Bull pub, in Kirkoswald, near Pen-

Learn bread-making principles, how to bake with leavens and sourdoughs, aspects of fermentation and hone your practical skills in moulding, shaping and proving. Weekend courses, including

tuition, materials, Saturday

night accommodation and meals, including dinner, costs £199. One day courses cost £95, both include VAT. For details, contact The Village Bakery, Melmerby, Pen-Cumbria. Tel: rītb.

OF

fax

crop potatoes grown commercially in Britain are accounted for by just three varieties each. Loyal troops are, however, fighting the good fight for the spud. Spearheading tha campaign are Alan and Jackie Gear who run the Henry Doub leday Research Association.

varieties, a fair number of which will be available to gardeners each year through the research association's heritage seed programme. Thus a wide ranging bank of potato genes will be kept alive

The pleasure for me bes in variety and in choosing the right potato for the right dish: super-waxy, fine, firm, smooth, floury or deeply mealy. Many of my favourites are old ones -La Ratte, Kerr's Pink, Dunbar Standard, Pink Fir Apple, Catriona, Belle de Fontenay, Scottish or Irish grown Golden Wonder, Jersey Royal and

t may be the Irish blood in

me but I have a hearty

appetite for the potato.

Not for any old potato.

mind you. And certainly not

for a solitary diet of The

Lumper, the only kind of

potato, indeed the sole food so

it is said, on which many of

the Irish poor subsisted before

the blight and famine of 1845.

Record. Nostalgia may play some part to my choice but these are potatoes of character, not hland: and I favour a fair number, rather than just one or two, to avoid monotony and for fear of putting all my hopes in

one basket. The women of ancient Peru had the right idea. They gave prized potatoes as bridal dowries, handing them down from mother to daughter; and they sometimes planted as many as 50 different sorts in a single field, for the sake of varied eating and to guard against devastation by pest; disease or adverse weather conditions.

How very different from the Irish situation of 150 years ago. How different too from the current British situation. You would have thought we would have learnt by now that diversity is vital in combatting disease, and that monoculture is an invitation to epidemics. Yet something like two-thirds of the earlies and half of the main

Their right-hand man is Dr Jeremy Cherfas, head of genetic resources.

for future research and devel-

coment both here and abroad. and amateur gardeners will be given the opportunity to grow and taste a selection for them-

Another key figure in this group of potato gospellers is Alan Wilson, the man responsihie for bringing the delights of chestnutty La Ratte to the attention of the British public, and generally leading the way back to offering potatoes of distinction in our shops. Wilson is a self-confessed

potato fanatic, avid gardener and author of The Story of the Potato, published by himself. He is also vegetable buyer for Waitrose, where more choice and more information about potatoes is available than in any other outlet I have visited. There you will find a dozen

or so different sorts of potato on sale at any one time - sold by named variety, with notes about their taste, texture and Last February, the associa-

uses. Usually, more than one kind is organically grown. tion celebrated potatoes by hosting a special open day, an occasion I enjoyed to the hilt. Next Saturday is designated

**VINTAGE PORT** CRU CLASSE CLARET BURGUNDY AND RHONE ETC. AT TRADE PRICES SECKFORD WINES

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عكذا من الاجل

Charles Batchelor looks at the \$7.5bn flotilla of new liners which is under construction at shipyards around the world

swimming pools, one of which is the largest ever installed in a cruise liner; menua created by Anton Mossiman; and an art collection which will include seven specially commissioned sculptures. P&O Cruises' Oriana will represent the latest in cruise liner luxury when it comes into service in

But the Oriana, designed to provide round-the-world cruises, will not be ahead of the game for long. The growing popularity of cruises has meant that a flotilla of new liners - 30 in all, with a combined value of \$7.5bn - is currently under construction, or on order, at shipyards around

At just under 70,000 tons and with room for just under 2,000 ngers, Oriana is the largest vessel in the P&O fleet but she will soon be overtaken by two 77,000 ton liners the Dawn Princess and the Sun Princess, due to come into service in late 1995 and 1997 respectively.

An even larger vessel, the 100,000 ton Grand Princess, designed to carry up to 2,600 passengers is also for delivery

The cruise companies are responding to rapidly growing demand which saw nearly 300,000 passengers from the UK in 1994, an increase of 15 per cent on the year before. This figure is expected to rise to 700,000 passengers hy 2000 while the dominant US cruise market is expected to show similar rates of growth to 8m passengers by tha turn of the

Passengers who sign up for a cruise aboard the Oriona will no doubt he drawn by the glossy hrochures illustrating the luxury of its 900 cabins, the 110 state rooms, the six lounges and its dance floors. They will pay less attention to the efforts which have gone into making the vessel a safe, as well as a relaxing, ship.

These include a computercontrolled safety management system which can reconfigure the ship's complex ventilation system to contain the smoke and heat from a fire, still one of the greatest threats to a ves-

An on-screen display allows the captain and the ahip's safety officer to monitor the development of a fire and alert other crew members.

9 -

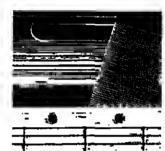
"We have anticipated a lot of the regulations which are due to come into effect later in the decade," said Richard Vie. P&O Cruises' technical services manager. Low level lighting, similar to that now required on aircraft, has been installed directing passengers and crew to safety exits. should smoke obscure the nor-

mal lighting. A cruise should provide the ultimate form of holiday relaxation. But two recent incidents involving cruise liners have raisad concerns about the safety of passengers.

The fire which destroyed the Achille Lauro in tha Indian Ocean last December highlighted the vulnerability of cruise vessels, in spite of all the efforts which have been made to improve fire control

The temporary detention of the newly refurbished Queen Elizabeth II in New York harbour by the US Coast Guard because it failed to meet US fire rules emphasised the sensitivity of the safety issue.

The aasety record of the cruisa industry is good, but many of the vessels are extremely elderly. The International Maritime Organisation, the UN agency charged with regulating ship safety, is engaged in a long-term programme to tighten up the



CRUISING

Safety

At the same time, the related issue of the security of passengers and their protection against a possible terrorist threat, has become a significant concern of the US authori-

This was triggered by the hijacking of the Achille Lauro and the death of a passenger in 1985 and acquired renewed topicality last year in the wake of other more recent terrorist

The rescue of nearly 1,000 passengers aboard the Achille Laure with the loss of just two lives can be seen as a success aboard the Italian-owned ves-

But the incident did highlight the vulnerability of older vessels to fire and the risks of transporting large numbers of people, many of them elderly, across distant oceans. In spite of the efforts of the crew, the fire continued to hlaze on the abandoned vessel and it sank while under tow to Kenya.

The loss of the Achille Lauro is still being investigated by the Italian authorities. Their inquiry will look closely at the effectiveness of the fire precautions on the ship, which was built in 1947 and refurbished in

The standards of fire safety aboard passenger ships, which include ferries as well as cruise liners, are currently heing upgraded following a fire aboard the Scandinapian Star in April 1990 which cost 158 lives. The vessel, a ferry, was en route from Norway to Den-

mark when the blaze occurred. This programme requires a progressive implementation of tighter rules agreed within the International Maritime Organisation. It started in October 1994 and will run through to

The IMO has been criticised for the time taken to upgrade ship safety but it points to the need to obtain the agreement to the rules and the time which is then required for national governments to implement the

changes.
"Work is going on all the tima but it is unfair to expect shipowners to change every years," said Roger Kohn, IMO spokesman. "Many cruise ships are very old and it was felt we could not have gaps between the standards applied to new vessels and the older

Walter Welch, director of marine services at the UK Chamher of Shipping, said: "There will be a significant improvement in fire protection when the new regulations are applied retrospectively to existing cruise ships."

The IMO regulations are aimed primarily at hringing older ships np to the standard of the most modern vessels hut even the newer ships are not without their problems. A popular design feature of modern cruise liners are large, open public areas. These require special protection by elaborate fire detection and sprinkler

The problems encountered hy the QE2, fresh from an extensiva refit at a German yard, were unusual hut with potentially serious consequences. The QE2 sailed from Southampton with a large complement of huilding workers still attempting to complete refurbishment work.

The liner left with the hlessing of the UK Marine Safety Agency but was detained in New York hy the US Coastwith the building materials which were blocking passage ways and impeding a rapid

Cunard, the vessel's owner, denied that safety had been jeopardised but the coastguard would not let the vessel sail until the work was completed.

With a significant part of the world cruise industry dependent on vessels based at US ports, the US Coastguard plays a significant role in the regulation of safety standards in the industry. It is the coastguard which is currently seeking to implement tongher security standards to reduce the threat of a terrorist attack.

The International Council of Cruise Lines, which represents 24 companies accounting for 90 per cent of world cruise capacity, believes that the measures



The QE2 will soon be facing stiff competition as cruise companies respond to rapidly growing demand

proposed last year by the coastguard are too rigid. The council, which has its

headquarters in Washington DC, wants a more flexible arrangement with procedures designed to respond to the percelved level of the threat.

"The present proposals require 100 per cent security at all times," said John Estes. president of the council. "We

are convinced that that would not be effective. You have to alert people for specific reasons and then phase down. You cannot have people on alert all the

The council proposes a threetier system of response. The first level would exclude unauthorised visitors and require passengers to use their tickets or boarding cards as identity

Passengers would he screened by metal detectors and ships would be required to appoint a security officer.

Level two would apply when there was a medium risk of attack. This would require passengers to have photographic identification and involve searches of at least half the passengers coming on board

ing on board a cruise ship comand their baggage. Level three, in response to a high risk of attack, would require checks on all embarking passengers.

Other commentators are also sceptical of the need for such far-reaching measures. "These proposals would slow boarding," said Alec Bilney, of proposals the London-based International Chamber of Shipping. "There may be up to 2,000 people com-

pared with 300-500 on a jumbo The cruise lines, whose ves

sels serve ports around the lations should not be introduced on a country or regional basis. "It is important that security measures are coordinated internationally. said Estes.

# Music makes a happy sail

Claire Frankel finds caviare, champagne and concertos a perfect cure for sea sickness

ruising was never my shtik. While others were enraptured hy the sparkling sunset dancing on the waves, 1 was busy clutching a rail or sleeping off the dramamine - get ting there was never half the fun. But I am now a devoted sailor, happily striding up the gangplank with the sure knowledge that the next 12 days are going to be spectacular.
This turn-about has nothing

to do with a new wonder drug. hut everything to do with music. Consider this: I am curled in a cushy, hrown leather barrel chair in the Grand Salon of Costa-Paquet line's flagship, Mermoz, listening to Mstislav Rostropovich rehearse Bach's Suite No.3. Tall windows on either side of the room reveal a smooth Mediterranean glistening in the sunshine. At the far end of this floating concert hall stands a long mirrored har, ever open to one's quenching needs. I'm encouraged to be a part

of "Slava's" musical decisions. his judgment to interpret a phrase molto agitato or andantino, to improve a trill almost imperceptibly, in fact, to be an emotional participant in the making of wonderful music.

The Music Festival of the Sea is a magical odyssey which sails from Toulon at the beginning of September - this year will be the 39th. It uniquely combines the finest musicians with exceptional French cuisine and tours of interesting ports of call. Of course the usual cruise activities are all available on hoard, such as shopping, table tennis, hridge, swimming, movies, gambling and gossiping, hut the consum-

- 10 F /Miles

ing passion is music. Rehearsals and concerts - as many as three a day take place on board or at some exotic venne on land; plus the enviable possihility of chatting informally, around the pool, at the bar, at lunch or dinner with one of tha other passengers who might just happen to be the conductor of the Sinfonia Varsovia or a superb violinist, soprano or A typical day at sea might-

start with hreakfast in the cabin or in the glass-enclosed top deck called the Lido where a large buffet awaits. Most passengers arrive here wrapped in their cotton robes (supplied), later lunching outside by the pool. From I0am the Grand Salon gradually fills with musicians and passengers for the daily rehearsal. You come and go quietly, read and listen, hava a coffee or a bloody Mary. take a few plctures. Or you may choose to attend a morning lecture in English or French, either about the port to he visited or about music.

Last year, Misha Donat, head of Chamber Music for BBC Radio 3, talked and interviewed musicians for the Angiophones. At one of them, ohoeist Douglas Boyd and Donat discussed Mozart's antipathy to the flute. A quiet voica from the back of the room inquired: "Then why didn't he write The Magic

Oboe? After a buffet lunch, you may take the afternoon excursion (air-conditioned huses and guides await), or choose to read and eavesdrop around the pool ("I didn't recognise her -her hair was hlonde last year" "Chopin would have grand time to ogle.

applauded Lively's playing last night"), lesving the ship later for the private concert on land in some exotic location. Delphi. or Naples' charming old Merca-

My hridge foursome snug-gled into a quiet room just off the Grand Salon and as we started dealing, the Takacs quartet came in to rehearse. What a combination! On some days at sea, a 5pm concert is scheduled, leaving

salon fills for daily rehearsal. You come and go quietly, read, listen, have a coffee or a

From 10am the

an hour afterwards to race back to the cabins to dress for the 7pm concert before dinner. Of course, you can cry off hut then you might miss something sensational.

bloody Mary

Two diming rooms take care of the 373 passengers and 79 musicians - 22 nationalities were aboard. Four of the evenings at sea are formal occasions and for each of them a specific colour is requested ladies are advised months ahead. Many, particularly the French, sweep into the salon with just the subtlest pause at the entrance; one should not miss tha matching hardware from the ship's safe. A really

adequate but the food is wonderful. Chef Jean Louis Abauzit, for 37 years on the music cruise, says that this is the most delux for Paquet. On board are 3,000 bottles of champagne (if you are unhappy with what is poured, just ask for Dom Perignon and you will have it), 70kg of caviar, 110 of foie gras - you get the picture. In fact, by the end of the cruise, what you'd really like is a cup of bouillon and a boiled egg - without the egg.
The genius behind the musi-

cal cruise is amateur pianist Andre Borocz who, after running successful festivals in Aix-en-Provence and Menton, proposed the idea to Paquet. He finds the musicians: his wife, Jacqueline, co-ordinates the organisation. Last year the Mermoz ven-

tured out of its usual Mediterranean route, making stops in Morocco and Madeira hefore returning to Spain and home to France. For those who, for example, were not interested in touring Marrakesh, a later bus hrought them, in time for hunch - from pigeon ple and couscous to every known meat, fish, veg and fruit - at the Hotel Mamounia. The private concert was held in the courtyard of the opulent Palais Layadi. All went beautifully until the muezzin sounded loud and

clear. The Takacs Quartet

could only pause, smile, shrug

and continue with Mozart. A small panic went through the ship when it was learned that Paquet's ships, the Pearl and the Mermoz, had been sold to the Italian line, Costa. But fear not. Mr Costa, on board last year for his first musical

Cabins are no better than cruise, said that all of his other ships are for the mass market he has just ordered a new one capable of taking 2,200 pashis quality line. Until the end of 1997, when an international safety convention takes effect, no changes will be made

Prices, ranging from £4,500 to £7,500 per person in a double cabin, give pause even to those with healthy wallets, although this includes everything except end-of-the-cruise tips. Fifty per cent of cahins for the 1995 cruise were sold by the time the ship had docked back at

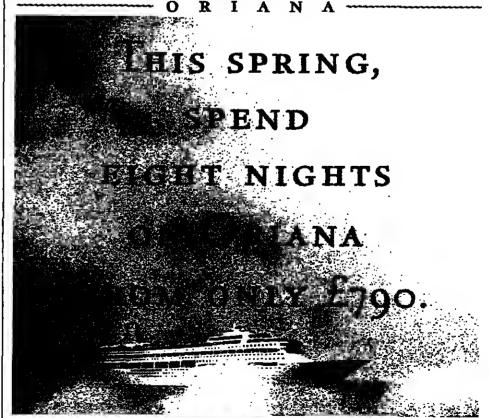
A traditional anecdote - 1 may be apocryphal - has it that a woman who had been on the cruise 15 times was asked She replied that her bridge partner was superb, the ambi ence suited her perfectly and the food was lovely. But the music, cama the query, how about the music?

"Oh." she answered, "it didn't bother me a bit." Musicians on board in 1995: Piano, Evgeny Kissin and Tames Vasary; Violin, Salva-tore Accardo and Shlomo Mintz: Viola, Yuri Bashmet; Clarinet, Paul Meyer, Flute. James Galway and Emmanue Pahud; French Horn, Barry Tuckwell; Contre-tenor, James Bowman: Ensembles, English Chamber Orchestra, Fine Arts Quartet and Classic Buskers.

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entranced with the feathered.

Our fellow passengers were

industrial strength capitalists,

anviably elegant, witty and knowledgeably world-travelled. American, German, Swiss, British, Australian (Oddly, the

finest suites were occupied by

Ecuadoreans.) There was a large and affluent gay contin-gent from all nations who

quickly got together and held the best (we hear) cocktail par-

Several riverside villages

welcomed us with dancing and

gifts of feathered-necklaces,

memorably at Alter da Chao,

an idyllic spot on a palm-

fringed lagoon ringed by thatched, stilted houses.

Passengers jumped at the

chance to attach morsels of

best fillet steak to strings to

catch deadly piranhas (we

threw them back). The riparian

life was timeless; water buffalo

WORLD CRUISE LATESAVER

bejewelled local beauties.

#### TRAVEL

mid the dug-out canoes. bumboats and sun-blistered wooden ferries crowding the jungle port of Manaus, Brazil, a sleek white ship of unimaginable luxury, the Seabourn Pride, was leaving on a voyage along 1,000 miles of the caramel-coloured River Amazon.

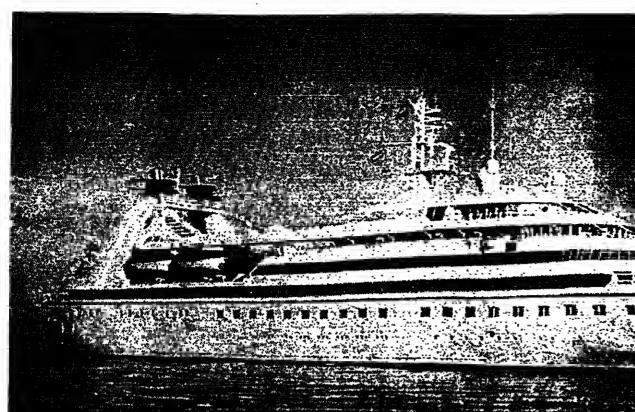
This tiny ship, which carries only 200 passengers, and her twin, Seabourn Spirit, have set new standards for cruising since they were launched in

For the third year in succession, readers of *Traveller* magazine have just voted Seabourn the world's best cruise line. These are ships for people who could certainly afford their own yacht but who do not want the bother. It is a case of: "If you need to ask the price you know you cannot afford

But, since you ask, it costs from around \$1,000 a day for each person.

Going on board at Manaus, in the fetid rain-forest climate, the Pride breathed refrigerated alegance. A glass of cham-pagne in one hand, I was led across marble floors down pastel-carpeted corridors to my suite. (Nothing as mundane as a cabin on this ship.) A vast space "doubled" by judicious use of mirrors, and cootaining a 6ft bed, sofa, a coffee table that became a dining table when you wished to be à deux, desk, bar filled with crystal glasses and several bottles of "free" liquor of your choosing, a television and video recorder. The "porthole" is a 5ft picture window. The marble bathroom boasted twin basins, a fullsized tub and next door, a walk-in dressing room furnished with J hanging rails vital for those (and there were many) who changed four times

Leaving Manaus gave us a dioramic view of this exotic city. In the 1890s, when almost all the world's rubber came from the Amazon, it grew into an opulent boom town with broad tree-lined boulevards and vast colonial mansions. The famous Teatro Amazonas, the replica of La Scala, built in a jungle clearing, still stands today. It has been beautifully restored as a testament to that golden era. Now the city is largely a throbbing slum, a jumping-off point for trips up and down the Amazon In varying degrees of excitement or



# VIPs of the Amazon jungle

Catherine Stott passes through another more primitive world while sitting in the lap of luxury

costs \$100 for 10 days, sleeping in a hammock on the deck of a ferry - that would buy you just 21/2 bours oo the Seabourn Pride.)

To enlighten us about the ports of call on our 16-day voyage, we had an "enrichmer lecturer, Captain Loren McIntyre, who, 43 years an Amazon explorer, discovered the river's true source in a Peruvian mountain lake, which is now named after him. No better guide could have been found. His lectures were a superb preparation for a journey through the last great wilderness on earth - a virgin

iungle the size of Europe. Sometimes the River Sea, as the native Indians call the Amazon, was so wide you could see neither side. At other times you could almost reach out and touch the rain forest. We British had prepared for discomfort. (The favourite our motorised cance trips and

jungle walks with malaria pro phylaxis, insect repellent and protective clothing. The normally paranold

survived unbitten. It seemed quite extraordinary to be gliding along through the jungle in air-condi-tioned splendour when a few feet away there were snakes that kill in seconds, Indians

with poison darts and, beneath

us, deadly fish.

Americans wore shorts, took no medication and, dammit.

We clambered into motorised canoes to explore the spinachgreen waterways of the Anavilhanas jungle archipelago, passing the primitive settlements of Caboclos, riverside peasants of mixed Portuguese and Indian blood who live either in stilted villages or aboard rafts. Their lives are divided by the climate - when the mid-year rains come, the forest is more

than 50ft under water.



CRUISING Luxury

Footpaths become waterways - you paddle your cance above the treetops. Where birds flew, fish swim.

Landing in December, the low water season, we visited what is arguably the world's mostly oddly sited botel - the Ariau Jungle Tower, a tree-top

SAVE UP TO

lodge with dizzying 63ft high stilted walkways above the rain-forest canopy, from which you look down on rare orchids, green monkeys and brilliant

The sama evening we anchored in mid-stream and were taken to a bone-white river beach for a barbecue of freshly-caught fish. When it poured with rain they gave us each a plastic bag to sit in making dancing hilarious when the salsa band arrived by

Those from the pampered oases of Beverly Hills, Scarsdale, Park Avenue and Park Lane revelled in the very mild discomfort of these forays, ever mindful that soon they would be returned to the sybaritic cocoon of a five-star plus ship. It cannot be easy to stock a ship for a jungle cruise but the

chef performed like a magi-

cian, conjuring up oysters, lob-

ster, caviar and designer salads from who knows where. The food was perfect, the service caring beyond belief (the entire staff memorised your name within two days). And for those on a romantic sciourn it was a delight to have dinner in ona's suite, each à lo carte course arriving with immaculate timing. River cruising is never bor-

ing. Sitting in the top-deck Constellation Lounge with its wrap-around view, over an iced-drink, gazing through binoculars was perfect. The life of the river bank came alive. Shore excursions were par-

ticularly well-chosen. Docking at nightfall at Parintins, the folk-lore capital of Amazonia, we went by school bus to a "Boi Bumba" carnival; several captains of industry shed their inhibitions on the dance floor after a couple of local firewater cocktails and danced

**5-star** 

waters, green parrots divebombed us. floating laundries bobbed past. Maniot root was pounded with piranha flesh, the staple dict.
Aboard, there was a fair amount of "what plane do you

lined the banks, dogs and tod-

dlers frolicked to the tea-brown

A Menderson

fly" one-upmanship, and which addresses in Paim Beach were "below the salt," but it was for the most part good-natured and amusing badinage.

My vote for the best overheard bitchy comment came from a Manhattan attorney, to his wife: "I'm not dining with her again, she's had o charisma bypass. Triple."

At Monte Dourado, where the lete Daniel K. Ludwig's dream Jari Project churus out 753 tons of wood palp a day, we raced in motor canoes for two hours through matchless jun-gle sceoery, transferring to wooden paddle steamers which went aground during our luscious picnic. When the wine ran out on ours, the waiter. appropriately named Bacchus, jumped into the piranha-ridden waters and, with his tray held bigh, swam to the next marooned craft for reinforce-

ments. A hero.
The ship spent the last two
Amazonian days cruising the Brevia Narrows, slim jungle channels of harrowing solitude with a mile between each waterside bome. Children circled the ship in their dug-outs frantically waving at this astonishing craft passing so close to them.

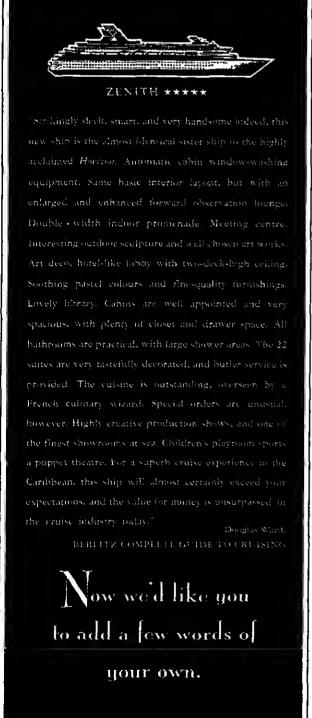
Then it was out into the Atlantic and a non-call at Devil's Island because of stormy ther...clever of Papillon to have escaped from there in those seas. (River cruising makes you forget that water can be rough ... we had a fairly vivid passage thereafter to Antigua, St Thomas, the Grand Bahama bank and into our disembarkation port of Fort Lauderdale.) We had sailed 4,000 miles in extreme comfort, had quite enough adventures for the rich and timid and learned, I hope, bow the Amazon functions. Quite unforgettable.

Catherine Stott was the guest of Seabourn Cruise Line. Seabourn Pride will visit the Amozon this month, next month and in November and December, A 14-night cruise costs from £9,503 per person including the flight to or from Manaus, all Amazonian excursions and gratuities. For brochures and reservations call 0171-930 4417.

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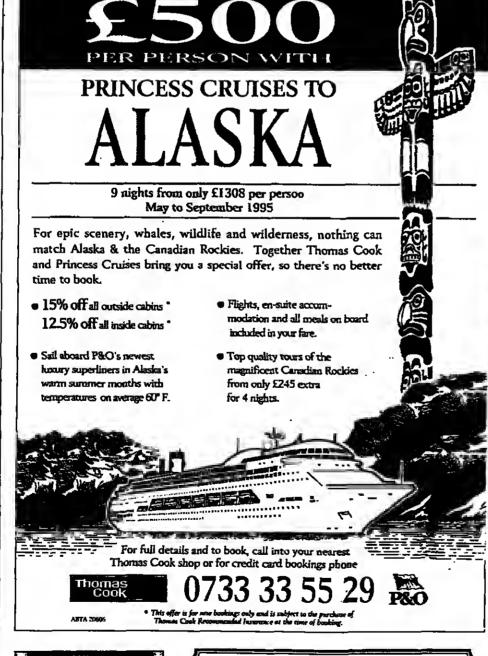
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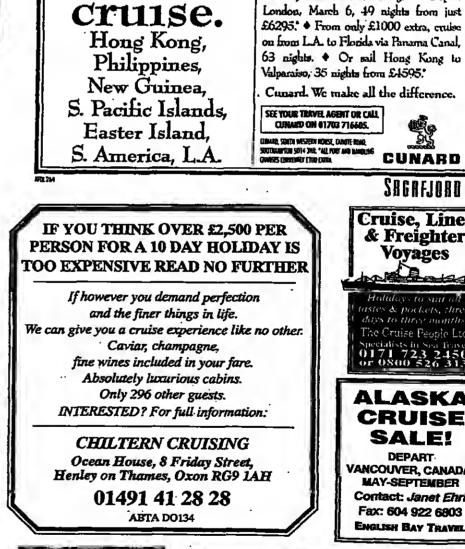


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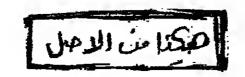
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# Under sail on an antidote to civilisation

James Henderson joins Club Med I, visiting some of the smaller Caribbean islands while indulging in a surfeit of watersports and good food



CRUISING Sailing

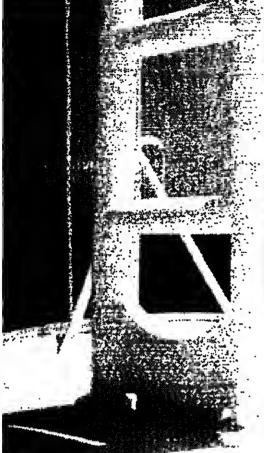
thought I might be keel-hauled or made to walk the plank if I was caught reading a book on the Club Med yacht. But such preconceptions are blown away - quite easily when you are in the tropical sun and under full sail (nearly 3,000 sq yds of it), with a horizon of Caribbean islands and nothing to worry about but which windsurfing sail to try, and whether to have dinner à

la carte.
Chub Med I is the largest sailing yacht in the world and it cruises the Carlbbean islands in the winter months, it is a magnificent five-masted ship with fully computerised sails, decks laid with teak, two swimming pools, two restaurants and a watersports hall.

But even as the world's largest yacht, Club Med I (with a maximum of 400 passengers) is still small in comparison with most Caribbean cruise ships (which take 2,000 passengers in some cases) and so it has the advantages of intimacy and a

more flexible itinerary. The Club Med formula is still not that well known in the UK you might have been per-suaded to join a French friend in a Club Med Village, or discovered with relief the benefits of an all-inclusive package when the children's watersports bill became so huge but Club Med still has difficulty shaking off the image of an up-market Butlins.

Of course, you will be left alone if that is what you want, but all the essentials of a holiday are there in the setting.



activitias and the

You, the GMs (Gentils Membres) are shepherded gently through all the activities by GOs (Gentils Organisa-leurs), tanned and pretty young things each one of them. As the name suggests, they are there to organise you and they will always offer a cheery good morning if you catch their eye, but it is by no means intrusive. They are a hard-working and dutiful bunch and they lay on the nightly entertainment -

cabaret and variety shows. On board, I opted for a diet of intensive watersports, and so my hang-out was the Hall Nautique, a fold-out water-sports platform that emerges

at the stern of the ship (the

sort of place that James Bond might pop up at any moment). Here I was helped finally to tame a windsurfer by the compact and sinewy Bruno and had a brief and unsuccessful flirtation with waterskiing under the care of the redoubtable Parislenne Catherine. Scuba-diving was under the tutelage of two cool Canadians, Jonathon and Vincent.

In order to combat the effects of the other diet (the food on board Chub Med I is excellent) I also put in a little time in the weights room, on an exercise bike with a view, guided and advised by the buge Ludovic, or Monsieur

For a sailing ship (between have only a five-metre draught and this means that they can 20 and 30 per cent of its power reach waters that the larger is generated by the sails), Chub Med I gives a remarkably cruisers cannot and so there is smooth ride. It does not even access to isolated beaches not usually available on Caribbean list. The effect of a keel is created by the ship's 187-metre itineraries.

length and it is kept steady by

The two Club Med ships

changes in bringing the Cluh Med plan on board. The old ballast. I saw the GOs teeter on stage only once during the egalitarian spirit of the origi-Chub Med I is one of a numnal Club Med (post-war tents at the seaside and self-made ber of smaller cruise ships which have appeared in the entertainment just after the Caribbean over the past few war) has really passed now. years. Like the Windstar series Over the past 10 years the com-(which look remarkably simipany has diversified and the lar but have about 150 passen-gers) Club Med I and Club Med villages are now categorised. The Club Med yachts are at the II (which cruises the South top of the range. Pacific) were built in Le Havre.

The atmosphere on board Chub Med I is a little more for-

There have been some

mal than in the villages, and the average age a little higher, though it is still less formal and senior than on other cruise ships (where it is often the rule

to dress for dinner).
"On se vouvoir", to the chagrin of long-time Club Med goers, who have come to expect the intimacy of the tu form. No children under 10 are

For an organisation that once called itself "the antidote to civilisation", it is all pretty sophisticated. The only time that it tips into hi-de-hi is dur-ing the hand-clapping at the introduction of the GOs and at moments during the entertainment when they sing the Club Med song.

each one marked by its own GO. I stumbled by mistake into the boutique (not a usual hunting-ground of mine) and met a couple of faces I recog-nised from the nightly shows. Quite by chance, I discovered

But most revealing was Denys, the lyrical cold buffet chef, who talked longingly about the cuisine of the Jura and his philosophy of the pal-

Happily, Chub Med I tends to avoid the larger Caribbean ports of call, which on a bad day tend to be overrun with lobster-red long distance shoppers exercising thair credit

The islands it does visit tend to be smaller and to have a hittle more Caribbean charm -Bequia and Carriacou in the Grenadines, Jost van Dyke in the Virgins and the Saints off

Guadeloupe.
I never really did meet the GOs in charge of on-land excursions, which for some are a significant part of cruising life, of course. I was still giving my feet second degree burns

As for being forcibly joined in, there was not really any group activity, except perhaps aerobics (never again).

In the end I quite enjoyed the shows and seeing the GOs I had come to know performing some unlikely routines.

Tha chef de village could turn in a mean Charles Aznavour, but my favourite was the unlikely sight of an impish Bruno (windsurfing) and the hulking great Ludovic (muscu-

But the traditional openness

of Club Med makes it easy for

you to enjoy the pleasures of the cruise with fellow passen-

lights of a port recede to the

Here, the captive audience

has an advantage over a more

traditional hotel-based holiday.

even in the Caribbean. There is

a fairly international clientele

(as with the GOs, who seem to

coma from most European countries), but it helps to speak French.

It takes a few days to get to

know the ship and I kept discovering new areas on board,

horizon.

lation), in tutus, doing their version of *The Nutcracker*. I even managed to finish a gers - lazily protracted dinners, trips ashore, or simple meetings while you are leaning couple of books while on on the rail and watching the

> Club Med I cruises the Caribbean during the winter months (November to mid-April), following four different itineraries, and then returns to the Mediter-

ranean during the summer. Club Med II sails year-round in the South Pacific, around the islands of New Caledonia and Polynesia. Details through Chub Med, 106-110 Brompton Rd, London SW3 1JJ (Tel: 071-581

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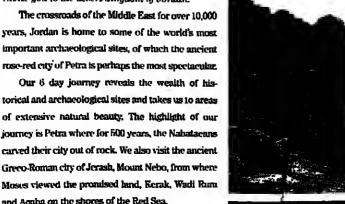
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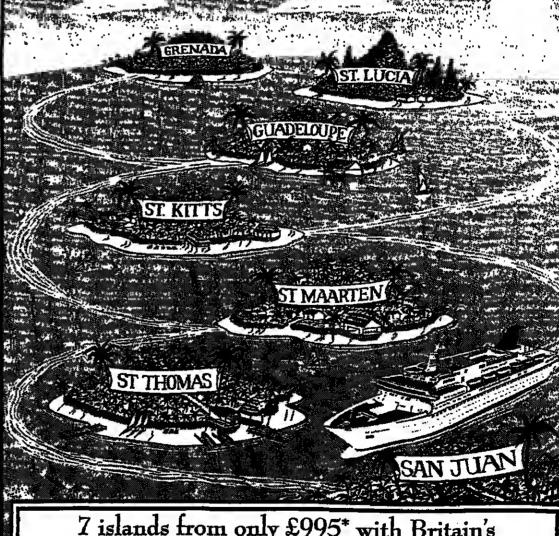
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### Caviar on the barrier reef

Catherine Stott reached parts of Australia that even Australians rarely reach on a small, elite ship

urfing through a sea of cruise brochures, a particular voyage occasionally leaps off the page at you, like this: "Spice Islands, Northern Australia and the Great Barrier Reef with new year's eve at the Sydney Opera House.\* Knowing that Song of Flower

is the least pretentious, most charming of the "boutique cruisers - ships carrying no more than 200 - we claimed the last available cabin on this exotic cruise

All flights, shore excursions, tips, wine and an open bar were included - plus an initial three nights at the Regent Sydney and two at the Grand Hyatt Bali, as a grand finale.

Flying into Sydney from Bev-erly Hills, Melbourna and, yes, Pinner, the 150 passengers met for champagne before a grand new year'a eve dinner and fireworks at the glorious opera

introduction to a cruise, in my experience. After two euphoric days in

Sydney, we flaw to tropical, dropsical Cairns, to sail up the coast of Far North Queensland. where the rain forest comes down to meet the Reef.

Anchoring next day off swanky, yachtie Fort Douglas, a 90-foot catamaran whisked us over to The Low Isles, sublime palm-fringed atolls on the inner reef, for a seven-hour South Pacific idyll of coralviewing by glass-bottomed boat, scuba diving or snorkelling, or a beach walk with a marine blologist for the non-

Lunch was an orgy of oysters and lobster smoothed along with chilled South Australian Chardonnay.

Thereafter, Song of Flower took us to parts of Australia that Australians rarely reach; for example, Cooktown and Cape York – only 100 miles from Papua New Guinea - and across the Top End to Darwin.

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Generally, the more remote and bizarre "ferals", once-civi-and challenging a cruise's des-ination, I find the more stim-bush with wild eyes, long and challenging a cruise's des-tination, I find, the more stimulating are the passenge

This voyage was a fine blend of antiquea experts, lawyers bankers, writers, publishers, and even a beautiful Californian avocado planter who snor-kels the reefs of the world with

Cooktown can only be reached by four-wheel drive or by sea but it merits many more tourists than it receives. Aus tralia's first British settlement. Captain Cook beached his damaged ships there for 48 days in 1770. In the gold rush of the



CRUISING Australia

1880s, 30,000 people lived there, patronising 94 pubs and as many brothels.

Today, there are 1,300 people and three pubs. The time-warp main street is pure late-Victorian stone grandeur. Even the "grog shop" is a National Trust Listed building. The bank has no security screens. With only one dirt road out of town there is no escape.

Our outback guide, whose boots had snake-proof canvas puttees sewn on to them. caught and ate flying green ants: "Bite it before it bites vou...tastes like citrus.\* The outback pub we were

taken to was straight out of Crocodile Dundee. Packed with gloomy, red-eyed Aboriginals

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hair, and matted beards. They sat drinking Riesling on the rocks into oblivion.

cobwebs 130 years old, jars of snake on a cracked piano, and a butch landlady with a broken arm. Steer skulls hanging from the rafters recallad drought-thin animals on the parched cattle stations outside. Lunch was a "barbie" in the burning hot bush which con-sisted of meat pies and sau-sages and freezing beer.

A day at sea in tropical sunshine was a chance to appreciate Song of Flower. Intimate best describes the ship. The staterooms are not vast but well-fitted. There are acres of closet and drawer-space, which is sensible since dressing-up is much encouraged. In 11 nights, three were formal.

The food could not be faulted even by the choosiest of gourmets. Hors d'oevres might be carpaccio, proscuitto or lobster (always caviar as an alternative). Main courses were of fresh grilled fish, rib of beef, duckling with chestnuts or king crab with many choices. Sorbets and petits fours followed with superb coffee.

Most palatable white and red wines were offered at lunch and dinner; French, Australian, Californian, Italian. You could of course pay for even finer wines if nothing pleased

A breathtaking put-down occurred when the avocado planter, offered a wina from Robert Mondavi's not inconsiderable vineyard, snorted: "We don't drink Mondavi, we cook with it. Unlike some of the elite, tiny ships, there was rather ambi-

tious evening entertainment, cabarets, illusionists, singers...and a discreet gaming room. In the day-time, Professor Geoffrey Blainey, of Melbourne

"The Lion'a Den" sported

Comfortable cabins on a voyage that attracted a fine blend of artiques experts, lawyers, bankers and writers

University and a well-known author, lectured us brilliantly on Australia's history, its future as a possible republic and the Aboriginal question.

But it was the service that made the cruise so special. The officers are Norwegian, the cruise staff English and the waiters European and all set out to spoil you - in a way that is gratifying when gratuitles are included in your fare. Anchoring off Cape York, the very tip of Australia, we were looking at one of the world's

last great wildernesses, cut off except by sea during "The The landing we were to have on shore was also to be wet as the ship's tender could not go

through the water. All of us were issued with a pair of "panty-hose" to encase our legs against the killer sting of the box jelly-fish. them under or over your trou-

up on the beach and we had to

walk the last few yards

"Have you seen the size of my hubbie's thighs?" bemoaned an Edna Everage. "He won't get them on." With death the alternative, he did. Stumbling wetly ashore in astounding heat we made our

way to the Pajinka Wilderness Lodge, owned now by the Infi-noo Aboriginal Tribe for a A further reptilian encounter "Kup Mari" feast where the

meat is baked underground.
A sign read: "Beware of the estuarine crocodiles that inhabit these waterways." Baked croc perhaps? Or merely goanna? We stuck to oysters and crab at the pretty jungle rest house. On the rain forest walk, it rainad, And rained, And

Darwin, Professor Blainey told us, is nearer to Diakarta than to Adelaide. You are only a true "Territorian" if you have stuck the fetid climate for more than five years. No won-der it has the highest per capita consumption of beer than anywhere in the world.

A cursory tour of the city showed two malls, a television station, and little else as we sped alongside mangrove swamps and 20ft termite Consternation. Do you put mounds to the Adelaide River. There we boarded a boat and

pretty girls flung lines from the top deck attached to pork bones that stirred 90-year-old crocodiles to rear out of the water and grab them. An ugly spectacle. Our prurient skipper pointed out Hannibal, an anciant male who eats the female while mating. Terrific. The low-spot of my trip.

was a morning on Komodo, bome of the eponymous dragons - man-eating prehistoric lizards 9ft long. I confess I ducked the spectacle of them tearing apart a sacrificial goat. "How was it for you?" I asked my husband. Echoing Lord Curzon when first he saw Lake Geneva he replied: "Ghastly. perfectly ghastly."

Bali was a revelation. Wetter than wet in January it was still possible to divine a land of terraced emerald green rice fields climbing bine mountains. A whole day farewall tour showed us an island of unimagined beauty. The temples, the carvings, the works of art. Hotels of great luxury, such as ours: The Grand Hyatt, at

Catherine Stott was the guest of Radisson Seven Seas Cruises. The fare per person in a double cabin starts at £4,597 for a 16-night fly-cruise includ-ing all flights, hotel stays gratuities excursions drinks and

Further departures on this itinerary will be in November 1995. For brochures and reservations call 0171-387 9060.

#### Where to find the discounts

■ Once the preserve of the rich and aspiring, cruising has plunged full steam ahead into the choppy waters of dis-

These days, couples who go on regular cruises may find themselves in the quoits team alongside first-timers who bought their tickets at Lumn Poly for a 35 per cent discount or took up a halfprice Teletext deal.

The shame of paying overthe olds ruins many a day on B deck.

"I deal with cruising every day of my life. I sell 50 cruises a week - and I honestly don't remember the last time I sold one at brochure price," says Mike Sands, owner of Bristol travel agency Thorntons Cruise

Sands estimates that 90 per cent of the 320,000 cruise holidays sold in the UK last year were discounted

Discounts have greatly expanded the market. And Lunn Poly predicts 785,000 engers by 2000. Airtours, Britain'a second

biggest tour operator, which will operate two ships in the dediterranean this summer, starts its prices at £399. The days when the QE2 and Canberra conjured visions of a holiday for the

wealthy few have gone. Nearly all cruise companies offer their own reductions or liscount through agents. Big agents, such as Lunn Poly, Thomas Cook and AT Mays, are into their second

year of big discounts. And

specialist cruise retailers ave to follow. "I am offering discounts of 36 per cent in the window," says John Spicer, of Spicer Travel Bureau, Llandudno, north Wales, "The funny thing is that not many people take it up because nobody really believes it anyway."

But many do. Most of the

of the market: "It has pro-

gressively changed to the

50 cruises shifted every week by Thornton's Cruise World are sold through Tele-David Dingle, marketing director of P&O Croises, says

point where our suspicion is that very few holidays are sold at full price. In this day and age, customers are looking for price advan-

P&O sells 92 per cent of its cruises through travel agents, where the best deals are to be had. While every cruise line obviously direct markets to its previous customers, Dingle maintains his 8 per cent don't get better deals.

It is "multiple" agents such as Lunn Poly Which hava driven the market towards higher discounts. Their sheer size enables them to add further discounts to those reductions given by the cruise companies

In turn, smaller specialists have to match to compete. It has given rise to spectac-ular deals. John Spicer Travel is offering 25 per cent off a QE2 cruise to the Atlantic islands on October 15, and 17.5 per cent off a Baltic voyage, down from £1,856 to £1,529. Its 36 per cent off deal elates to outside cabins on Princess Cruises.

Cruise Classified, another company selling cut-price deals on 26 cruise lines through independent agents. quotes £999 for a seven-night Caribbean cruise, including return flights to Barbados, up to April 8. "People can save pp to 30 per cent with us. said tha company's Bob

Thorntons is selling. through Teletext, a half-price two-week Caribbean trip for £850, down from £1,700, in a promotion with Commodore Cruise Line, Port taxes and tips add a further £179.

And it has a Cunard Princess deal, departing March 1 from Malaga for £960 (down from £579) including flights. An outside cabin costs £740 (£1.200).

Sands has some advice for first-timers: "Make sure you do the cruise you want to do, not just one with a discount. If you save 50 per cent, you still have to pay 50 per cent -so if you bate it, you've lost 50 per cent."

Steve Keenan

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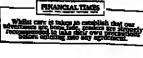
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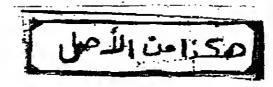
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Golf/Derek Lawrenson

### The shark reaches 40

n 1986 Greg Norman led going into the final championships. He was 31 years old. The Watson era was coming to an end and bere was the ideal successor. He had blond hair like Nicklaus and his golf recalled the

swashbuckling age of Palmer. How many majors would he win in his 30s? Five? That was surely erring on the side of caution. When he won The Open at Turnberry that July hy a street, one a year did not appear beyond him. The tabloids dusted down the "Nor-man conquest" headline and prepared it for heavy use.

Norman turned 40 yesterday. In The Open at Sandwich 18 months ago he took on Nick Faldo and Bernhard Langer playing some of their best golf and neither came close to matching him.

"That was the finest round I have ever seen." the German said, while Faldo found a quiet

corner to sulk in. More column inches have been expended on Norman than any of his peers. Watch him oo the practice ground alongside his contemporaries and the quality of his ballstriking is so superior it is almost embarrassing. More people follow him around a course in the US when he is playing hadly than would watch Faldo, Langer, and Nick Price duelling for first place.

He has won tournaments on every continent and generates more revenue through endorsements and personal appearances than a medium-sized soccer club. So, given all this, why is it that when we think of

Norman we think of a failure to live up to expectations? For a professional golfer, reaching 40 is like 30 for most other top sportsmen. It is a moment to reflect on their achievements and wonder how much time is left to them at the height of their profession.

Appropriately, Norman ended his prime years on a tidal wave of publicity. We are having a World Tour in 1995, he said. The announcement generated large head-

At practice, Norman's ball striking is so superior to his rivals that it is embarrassing

lines. As things have turned out, the World Tour has mirrored Norman's career, promis-

ing a lot but not delivering. No player has remained at the top of his profession for so long and won so few major championships. Over the past 10 years no player has given himself more opportunities to win. He has been within four strokes of the lead going into the final round on no less than 23 occasions. To win just two, and none in America, where he has spent much of his working life, outlines a fatal flaw.

His supporters would have us believe that his weakness is simply bad luck. In the 1986 USPGA Championship he was beaten by Bob Tway holing a bunker shot on the final hole.

In the next najor, the following year's hasters, he was beaten in a sodden death play-off by furry Mize, who holed a chip hot from beside the 11th gree. Mize was invited by a olf magazine to try the shot arm, He replayed it 100 times and did not come close to holingone.

These were undoubtedly instances whin fate came between Norman and a major championship art equally, if the Australian was the complete player he would have won both events beone those freak shots. In the LSGA he was three strokes aleid with six holes to play. In the Masters, he bogeyed the hal hole to fall into the playof.

In the 1990 Open a Royal Troon, he birdied the last six holes of his final found and still found himself in nother

still found himself p mother play-off, this time withwayne Grady and Mark Calcarechia. It was over four holes at Nor-man birdied the first to. He still did not win. Indeed le did not even complete the py-off. On the final hole he drowinto a hunker positioned 320 ards from the tee, took two get ont, and put his ball i his pocket. Taking a three-ood off the tee was just anher example of Norman's inality to think clearly under extme pressure, and tendency to ve in to macho posturing If Faldo, who cannot match vman's talent but who hea supreme ability to cope th pressure, could think for h, Norman would probably e

Yet for all the braggado and the claptrap he sometin

moving into their muni-ties, Gloucester confount on

staying on top. I change started in the earl 980s and

accelerated with terrival of

the Courage Leagin 1987-8.

started searchin cross the

players while t club still

In the last or so years

clubs drawing restricted oumbers of pla - notably

Hospitals and Boys clubs

which once cled first-class

status - bay:clined. The London exile Welsh, Irish

and Scottish treaten to go

the same wabe danger in

continuing ty on the hin-

relied on local tit."

Says Corless: her clubs

of 18 majors

challenging Nicklaus's reci



in the shade: Grag Norman, who reached 40 yesterday, has been eclipsed by lesser talents

spouts, it is impossible to dislike him as a persoo. Wheo Faldo loses a major championship he is unbearable. Norman comes into a press conference, and is mercilessly baited by the American media. ("Do you feel you choked this one away, Greg?" That sort of thing.) Norman always retains his dignity. After winning the 1993 Open in such style, Norman was leading the following month in the USPGA Championship over the

same Toledo course where Tway had holed his bunker shot eight years earber.

Norman had Paul Azinger and Faldo for company at the top of the leaderboard. He had a putt from 20ft to win on the 72nd hole. It hit the edge of the hole and stayed out. He had the same putt to win on the first extra bole. That one horseshoed out as well Norman three-putted the second extra hole and Azinger won.

Paldo did not give a press conference. He jumped in his car and, as a couple of British journalists endeavoured to gain a quote, ordered his

chauffeur to drive off. I followed Norman up the hill from the second extra play-off bole. He signed the odd autograph and acknowledged the crowd's sympathetic gestures. He was asked for a quote from a couple of media people and he said that he would just

change his shoes and then he would answer all questions. He was as good as his word.

The last question was: "You

must be the most disappointed

man in the world tonight,

Greg. How do you handle such disappointment?" Norman said: "How do I handle it? Well, I'll leave here and fly home to Florida in my private plane and I'll watch the sun go down on the verandah of my \$6m house and then I'll

get up and go do some fishins in my private boat and I'll enjoy the company of my wife and kids and hey, do you know what: all the disappointment will have gone."

The behaviour of Norman and Faldo that afternoon partly explains why the latter and not the former has been the dominant player of the age. It also explains why it is to Norman's 40th hirthday party that I would rather be invited

magine the Governor of the Bundeshank coming out for higher inflation or Newt Gingrich unmasked as a contributor to the Demo-Neither event would surprise the people of Germany and the US more than the first minute of this season's Courage League One match between Sale and Gtoucester shocked

the crowd. Every rugby follower knows bow Gloncester play, and have done for years. Forwardoriented and deeply uncompromising. Yet here they were attacking from tuside their own half of the field. Nor was this an aberration. Similar scenes, and gasps of amazement, have accompanied them

But this is not quite the virulent onthreak of rugby ldealism it might seem. Attempting to change a long-standing and traditionally successful style is a pragmatic response to wider changes in the English game. Why Gloucester teams have played a grinding forward

style is a matter of debate. Environment is one possible reason. Gloncester's image as a West Country cathedral city is a trifle misleading. It is also a large city with normal city vices and nearby is the Forest of Deau, once described as Britain's only working-class

But if environment were all, Castleford, one of the grimmer corners of the Yorkshire coalfield, would not host a rugby league team famed for style and elegance.

Rugby Union / Huw Richards

# the west

Another possibility is that local rivalries perpetuate opposing styles; just as north London soccer giants Arsenal and Spurs habitually represent polar opposites, so do Gloucester and traditionally stylish Bristol. There is no mystery why

they stuck with it. It worked. Strong tocal junior clubs produced an endless stream of forward talent. That local base generated a strong sense of identity in a community with few other sporting distractions. Andy Deacon, the captain, can still talk of "representing not just a clnb, but a whote city". Rugby interna-tionals can walk unnoticed in other cities, hut any Gloncester player will be recognised in his own community. That identity and consist-

Barrie Corless, Gloucester's director of rugby, but formerly a Moseley player, recalls: "Hnge baying crowds and huge baying forwards. You'd feel intimidated before you even got on to the pitch."

Wonderful, so long as it

terland of nedium-sized town is cles
Coriess s "We haven't
the forwarto overpower
opposition t rule changes ent success ensured large and vocal crowds at the Kingsholm mean that by case, the old set-piece-hated power game has me outdated. In

response, local junior clubs haverted prodocing lively fods as well as The ce in style and

knew there was a first team would be allowed to play the way I want to, and I think the crowd has been enjoying the way we play." relied on local junio, of the happy accident of gol players

petitive while making changes. Gloucester have had poor seasons before, but the penalty now is relegation. That leads to the loss of ambierhaps, a downward spiral. "We have to stay up. If we went down to the secood, I fear we might lose it totally."

country for taled young leavened with pragmatism. Smith says: "There are still occasions when the ball needs to be stuck in touch. We can't

And while the benefits of widening recruitment are clear, so is the strength the cinb draws from local pride. Corless says: "I can't ever imagine potting out teams with less than 10 local players," he says.

Gloocester cares deeply about its rugby. That intensity makes it distinctive in English rugby union - closer to rugby league communities such as Widnes or Workington than to the middle-class suburbs that make np mncb of Courage League One. Holding their own this season, they can hope

Mark Mapletoft, an attacking full-back who moved from Rugby at the start of this season. Other clubs were interested in him, but he says: "I

It is not easy staying comfous players, lower gates and,

says Tim Smith, a former club The cavalier spirit has to be

run it from everywhere."

for better before very loog. recruitms symbolised by City and club deserve no less. Tennis / John Barrett

### Cup of tears overflows

orget the blood and the sweat; concentrate instead on the tears. Not tears of joy - I am talking about tears of pain and anguish.

I have seldom been so moved as I was two weeks ago in Melhourne when Pete Sampras. baving come back from two sets down against Jim Courier, broke down on court and

sobbed into his towel when

someone in the crowd yelled

Win it for your coach, Pete". Sampras was concerned about the health of Tim Gullikson (who was even then en route to a medical check in Chicago), and had not fully recovered from another comeback against Magnus Larsson in the previous round. He simply overflowed. It was the natural reaction of a shy and sen-

sitive individual.

The latest to succumb in public to this most human of all emotions is Mark Woodforde, the Aostralian left-hander. Woodforde trailed 4-6 2-6 0-1 against Marcus Ondruska, the South African No.2, in the deciding rubber of their Davis Cup tie in Durban last weekend. Exhausted hy the heat on a cruelly humid afternoon and incapable of saving his country from defeat, Woodforde sat down at courtside and cried in despatr as he

His captain, the former Wimbledon champion John Newcombe, was sympathetic. He knew all about the crushing weight of national expectation and the pain of defeat. In 1963, John, a 19-year-old was thrown in hy Harry Hopman to do battle against the US in Adelaide, the volumerst man ever to have been selected to play in a challenge round.

After losing the opening rubber to Dennis Ralston 7-5 in the fifth set. Newcombe found himself facing the reigning Wimbledon champion Chuck McKinley in the fifth match, the one that would decide the tie. He lost in four sets. John may have held back the

tears 32 years ago, but I am

sure he was ready to cry last Monday. Everything had gone wrong in Durban. For a start Richard Fromberg, selected as the second singles player, had been struck down with a stomach complaint on the first day before a ball had been struck. This is why Woodforde, in spite of a poor Davis Cup singles record, had been selected. Because of the heat and humidity, Newcombe had wanted to reserve Woodforde solely for his normal doubles role with Todd Woodbridge. Furthermore, the conditions had already affected his ton singles player, Patrick Rafter,

who had beaten Ondruska oo

day one but was not fit when losing to Wayne Ferreira in the fourth rubber. When Woodforde collapsed Newcombe's worst fears were realised.

It was typical of the prob-

lems every Davis Cup captain

has to face. There was a similar dilemma for the champions, Sweden, in Copenhagen. Magnus Larsson woke up on the first morning too ill to play. So Carl Axel Hageskog, the new Swedish captain, selected doubles expert Jonas Bjorkman to fill the second singles place alongside Stefan Edberg. Bjorkman had played well in Australia beating Guy Forget on his way to the third round. Then, catastrophe: on the first day, Bjorkman fell to Kenneth Car-Isen and Edberg was heaten sensationally by Frederik Fetterlein, a man who had ended 1994 ranked 192 in the world.

Sweden fought back for a 3-2 win, something they did last year in the semi-finals against the US. The man who had lost the deciding rubber that day in Gothenburg was the US No.2, Todd Martin. Last Sunday in St Petersburg, Florida, it fell to Martin to score the winning point against France, Having lost unexpectedly on the opening day to Cedric Pioline, Martin was particularly pleased to beat Forget to clinch victory. In the other first round ties their first Davis Cup the together since the qualifying win against Belgium in 1992. won the first three rubbers against Croatia. They will now travel to Utrecht on the last day of March to face the Netherlands who beat Switzer-

land 4-1 in Geneva. in Naples, Italy beat the Czech Republic 4-1 and will host their goarter-final tie against the US in Palermo. That could be a severe test for the US unless captain Tom Gullikson can persuade Michael Chang or Andre Agassi to join Jim Courier. I do not fancy the chances of Martin on slow European clay, Swedeo's next opponents will be Austria, 4-1 winners against Spain in Vienna. This tie will be played in Vaxjo, birthplace of Mats Wilander and Biorkman.

South Africa, back in the World Group for the first time since their reinstatement in 1992, travel to Moscow to face the Russian team that beat Belgium 4-1. This will be a first meeting between the two nations and will give a further measure of 20-year-old Yevgeny Kafelnikov's potential. In last year's final he admitted to being overawed by the occasion. He will be stronger for that experience, fully prepared for the blood, the sweat . . . yes, and the tears if necessary, of Stich and Becker, playing in another Davis Cup campaign.

### worked. While even top clubs Thenight the innocents died

Continued from Page I

had married her husband, Horst, who had been serving in the German airforce in the northern region of Mecklenburg.
"We wanted to have a little party

to celebrate our marriage because Gerhard, my brother, had been on the Froot for that occasion. He finally managed to get leave for a few hours on February 13. He was going to come through Dresden so we could have a family get-together." recalls Ursula.

Sister and brother met in the family home at Stephanienstrasse 22, in the Johannstadt district, north-east of the Innenstadt. "It was an enormous, sandstone bouse. We lived on the second floor," she said. They had not expected an air-raid, despite the alarms. "Besides, what strategic value had Dresden?" she asked.

As soon as Gerhard arrived the house was rocked by the first raid. "It was then so calm. Gerhard said we had to get out. We ran upstairs to help bring down a pregnant mother with three small children. We got extra bedding. We then rushed out on to the street. It was so hot. We went in the direction of the Grosser Garten. tt was so difficult to breathe. We did not know that the gardens would be bombed as well," said Ursula.

Gerhard never made it to the street. He, Ursula's mother-in-law, and 14 residents of Stephanienstrasse 22 including the pregnant muther and her children, were burnt to death in the cellar. "Ger-

hard was only 13 years old," she down."

After the war, when Horst

What did you feel at the time? sturned from the French Pow "The great sense of loss at mamp in late 1948, he and Ursula brother's death." brother's death."

Did the bombing of Dresd larty. "We wanted to believe. We demoralise the population? wanted an Ideal. A new hope," said "I hated the war. I was agail Ursula.

"I hated the war. I was agail "We had peace then," said Horst.

war camp for several years." Did you express your resist are all products of history."

tion of the Jews? was no chance to get organise

had no connection with the Horst explained: "You understand that we did not what was happening to the Listening to the BBC was for The papers and radio we sored. We were young at the All we knew was that the fr's

getting closer." "It was war," interrupted Total war. Hitler was a r. But the Allies unjustifiated women, citizens and child can't understand that sks None of the oil or chemical

near Leipzig and none c way lines were destroyed "We could not resist ople were finished. If you seen bombed so much, how you resist? We lost everythin were

Hitler. It killed my brother. It to we had peace then, said horse, Hitler. It killed my brother. It to we aged 74. "But we did not know away my husband to a prisoner now aged 74. "But we did not have freedom. We The beavy rain continued to

to Hitler, the war, or the dep obscure the wonderful view of the on of the sews:
"It was an inner resistance."
River Elbe, which flows through

History has made Harold Nash "truly ashamed for what happened" in Dresden

Born in 1923 in Birmingham, in the English Midlands, Nash was 18 when the Royal Air Force called him up in 1941. "I was so excited. I came from a very humble family. The RAF was the elite at that

time," he said. Nash was soon carrying out bombing raids over Germany. did 13 [bombing] operations. Twice in Berlin, twice over Nuremburg, and over the Ruhr. "When the Bomber Command

made its decision to attack the

cities, we were never told we would

be bombing women and children.

bombs on the flares we dropped. We were sitting up there in the skies. In the depths of darkness. We had the benefit of distance. We did not see, so it enabled us to do it. The only contact with the human beings below was when we saw the huge velvet mats of flames from the

Nash, a retired teacher of French and German, who in December 1993 was awarded the Order of Merit by

It was Allied policy to destroy the cities and demoralise the population

the Republic of Germany for his attempts at reconciliation, recalls the day when he realised the aim of Britain's Bomber Command.

We had just bombed a target in the Ruhr. We had received a brief to move elsewhere. But then, this young, blond intelligence officer, who was laughing, said that as a result of our raid, people were fleeing to the neighbouring town. We were told to change target and go

after and attack these people. I laughed along with my peers." In 1943, Nash was shot down near

Hanover. "Two of our group of seven survived. I tried to make my way to Holland but was picked up and put on a train to a PoW camp. That train trip greatly influenced Nash's outlook on war.

"I was sitting opposite three German women. They were dressed in black I was unshaven, unkempt, in my shahby uniform. The train was travelling through the Ruhr. I could see only ruins. Then, all of a sudden, the women offered me a piece of bread, to someone, who, five nights before, had been trying to kill them. And I thought, what did these women have to do with Hitler

or the conceotration camps." Nash believes the Bomber Command strategy did not demoralise the Germans. "I could understand the early stages of the strategy. Britain was desperate. The Front was being rolled back, so it resorted to terrorist methods. I think it is widely accepted that it did not have that effect, it was as if the survivors were saying, Don't let the buggers get us down'."

The bombing of the German civilian population into total demoralisation did not work," said Canon Paul Oestreicher from Coveotry Cathedral in England.

Oestreicher had been a veteran peace campaigner during the cold war era, and over the years had forged close contacts with the more dissident voices among east Germany's Lutheran Church. He has been invited to attend the 50th anniversary commemorations in Dres-

Is his view the officially accepted view today? Even Churchill admitted as much in his memoirs. He wrote that

the campaign had been militarily wrong, psychologically ineffective, and morally dubious. I agree with What do the people of Coventry

think, given that it was one of the first British cities to be bombed by German aircraft? The commemorations have com-

pletely taken over Coventry, and in the spirit of reconciliation. But you can't compare what happened in Coventry to Dresden." About 1,200 people were killed during the German air "Blitz" over Coventry in

April 1941. What does Dresden mean to you

personally? "I can't claim that the bombing of Dresden means all that much. But the memory is important. Born in 1931, I was a child of German refugees. My father was Jewish, His

eotire family was killed in the con centration camps. I was hidden in a cellar in Berlin while my parents tried to get asylum papers, I spent part of my childhood in New Zea-

"My job is reconciliation of east and west. The Germans brought it on themselves. They started the bloody war. The 50th anniversary of the bombing of Dresden, is, among other things, supposed to teach us to avoid another Dresden.

What do you think was the strat egy behind Bomber Command? "It had been a deliberate Allied policy to destroy the cities of Germany and demoralise the popula-

Was the policy supposed to have anything to do with saving the Jews?

"Not at all. The war was not

fought to save the Jews. It has been already proved that the BBC received instructions from the Ministry of Informatioo not to highlight the persecution of the Jews. It would have created sympathy for

Germany because of lateot anti-semitism in England. To cut off the railway lines to Auschwitz would have been technically the easiest thing in the world." But what makes Dresden so special, so different when you consider the bombings of Nagasaki and Hiro-

shima and the destruction of Warsaw and other cities? "History creates symbols, Dres-

den is a symbol for all the cities which had been bombed during the



now pronounce you 50%

# Flat dwellers slow to home in on rights

Do not let obstacles put up by a landlord deter you from buying your freehold, advises Gerald Cadogan

Leasehold Reform, Honsing and Urban Development Act 1993 came into effect, the number of claims by leaseholders against their landlords remains only a fraction of what it could be.

Since November 1993, the Act has extended the provi-sions of the Leasehold Reform Act 1967 by allowing flat-owners collectively to buy the free-hold of their building, or indi-vidually to buy a 90-year extension to their lease, and has abolished the ratable value restriction that stopped owners of larger bouses acquiring the

But most eligible leaseholders seem to have adopted a policy of "wait and see". That does not mean there is no interest. At the end of its first year, the Leasehold Enfran-chisement Advisory Service (LEAS) has received nearly 4,000 inquiries, "from Neasden to Eaton Square, via retired people in Bournemouth and South Wales", says its chief executive Peter Haler.

But the number of actual claims has been low. In London, the Grosvenor Estate reports "a trickle" (for house freeholds) and the Cadogan Estate "about 50" (for house freeholds, flat lease extensions and one collective freehold for flats).

The reason, says Charles Boston of valuation surveyors Boston Carrington Pritchard, who is acting for 50 leaseholders on different estates, is that tenants view it "as untrodden territory". But there is "nothing substantially radical about the valuation provisions and nothing new about 'marriage

Marriage value (MV) is the difference (if any) between the freehold vacant possession value and the sum of the landlord's and tenant's existing interests. It has been in the law since the Housing Act 1974, since when it has been the practice to divide it equally, on the premise that both parties are equally willing

to do a deal. The apparent change in the new act is that the landlord must receive at least 50 per cent of the MV. This "rather transparent sop" to the land-lords' lobby, as Boston sees it, may have been intended to

Do not be frightened by complicated procedures or by a counterclaim

stop tenants offering less than 50 per cent. But now landlords are demanding 100 per cent.

Stuart Corbyn, chief execu-tive of the Cadogan Estate points out that the estate gave away 100 per cent marriage value in granting the lease in the first place. "It is a bit rough to get only part of it back,"

This runs counter to present practice. Boston and other tenants' surveyors believe that tenants should not be bamboozled into paying more than 50 per cent. "Do not be fright-ened," he says, "either by the complicated, lengthy procedures" (when you may encounter unsuspected delays) or by a counterclaim based on 100 per

cent MV, or by the thought that it may have to go to the Leasehold Valuation Tribunal (LVT) or, on appeal, to the Lands Tribunal.

Why? Because to date the leasehold tribunal has decided six cases, and, in two significant ones in north London, reaffirmed splitting the MV 50-50. In December, in Sked V Towngran Developments, it decided that the freehold of 155 Gioncester Avenue, NW1 should cost £5,400, and not £3,410 as the tenant claimed or £18,500 as the landlord wanted. For such a long lease, the leasehold tribunal applied a 13 per cent rate to capitalise the landlord's loss of ground rent and freehold interest, and assessed a freehold value of £499,000 - only 1.8 per cent above the leasehold value with

89 years left. The leasehold tribunal also refused Towngran compensation for loss of commission on the insurance and the service charge, Landlords may see that as a "nice little earner", but it is irrelevant for MV.

Last month the same leasehold tribunal ruled on a 90vear lease-extension for a flat in Eton Avenue, NW3 which had 43 years remaining (Black v Eton College), and again split the MV 50-50, deciding that Black should pay £5,397, not 100 per cent as Eton proposed (claiming £20,259). Eton "failed to satisfy us that there is evidence of open market negotiations supporting reasonable

receipt of a larger share". In future cases a landlord's surveyors may quarry hard for evidence that can support more than 50 per cent but, at the moment, these are the precedents under the new act. For the Black case, the LVT

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decided on a 7.5 per cent rate to capitalise the landlord's ses, as the lease had only 43 years left and thus was a significantly increasing asset for the landlord rather than a barely noticeable one (as in the Sked case). The resulting £4,206 for Eton's losses was added to the existing leasehold value (£65,000) and both

deducted from the freehold value of £80,000, to produce £10.794 MV. Black was to pay half of this, plus the £4,206. plus Eton's and her own costs. Joan South of the Leasehold Enfranchisement Association praised the "immense care and effort" with which Black and Sked presented their cases, and wondered whether any commercial firm could do the same. "It would take too much time, and cost too much." But Norrie Sked is now acting as a consultant for Havills, char-

tered surveyors. Some leaseholders find it advantageous to apply prior to selling on - such as the Thatchers, who acquired their freehold in Flood Street, SW3 from Cadogan under the old rules of the 1974 Act and the Leasehold Reform Act 1967 and then moved on. One can even do this and get the subsequent purchaser to foot the bill, by writing that into the contract. So what are the worst hur-

■ Getting enough people to act together in the collective enfranchisement of an apartment block and its subsequent management is too daunting for many.

If an individual lease extension looks easier, remember that it only continues the present pattern of ownership - and wasting assets. In some blocks nothing is possible anyway because more than 10 per cent of the huilding is in commercial use.

This is particularly galling, the LEAS notes, for "the typical London mansion block of five residential floors above a terrace of shops"

Loans may also be a probiem for collective enfranc

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there is "a large eleunsecured capital" for portion of the price, LEAS, which is trying p a package with the a of Mortgage Lenders. olders must pass the unit test. The original of rent may not exceed

t can be dvantageous or some leaseholders to apply prior to

thirds of the ratable value, £1,000 in London for leases March 31 1990, or £250

selling on

but there is an extra, lessown test for leases granted tween September 1 1939 and urch 31 1963. Their initial nt cannot exceed two-thirds the then letting value,

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RELAND

Julian Briant of chartered surveyora Daniel Smith points out. It has led to "a good deal challenge it". of interest" in those values. ■ Landlords will be zealous in checking that applicants pass the residence test. Has the

dence for the past three years or three of the past 10? If the tenants also have a bouse in the country, they will ask how they divide their time, and where they do what - and may expect an affidavit in support. Do the gas hills and income tax demands go to Lon-don or the country? Children at a London day school are a strong case for London as the

property been the main resi-

main residence. ■ Corporate tenants do not qualify, But those who hope to pass the leasehold title to an individual who qualifies must read the lease carefully. The freeholder may have the power to refuse to agree to such a transfer and, says Robert Orr-Ewing of Knight Frank & Rutley, he usually exercises it

when he does.

The courts may change this, but it will need "a very determined or a very rich person to

Is it all worth it? Yes. sav those who enfranchise or extend their leases before selling on. And if you buy enfranchisable property, George Pope of John D. Wood points out, you necessarily give yourself time to raise the freehold

You have to reside for three ears before the second - freehold - tranche is due. In the meantime do your homework thoroughly, It is a complicated law but, as the LVT settles more cases, the body of case

"Start the ball rolling now," says Boston and, in nine months, when the price is settled, "the landlords will hopefully have given np this attempt to scare tenants away from their legal rights".

Leasehold Enfranchisement

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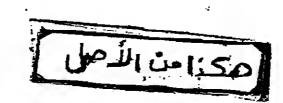
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#### Gardening

### Prepare for the sun

Robin Lane Fox peers beyond the clouds to a brighter world

he only dry gardens in the UK are indoors in pots and boxes. While we gardeners are all rained off, I will follow up last month's half-hardy prelude with a short list from the foolproof section of the seedsman's list the hardy annuals which anyone can raise if you order

See beyond the floods and storms to June. I will concentrate on bardy varieties which can be sown directly into open ground, beginning in early April and continuing through until mid-May in order to pro-

Try not to sow the entire packet at once, because you can extend the result by staggering the race. Right now, you need to order early because the fine forms have a way of disappearing.

THE PERSON NO.

Course out

Samuel of the land

-

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Starter.

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They do not appear in every garden-centre, but they are all on offer in the main catalogue of Thompson and Morgan of London Road, lpswich, Suffolk IP2 0BA (0473-688821).

Many of them can be sown indoors, preferably in small pots. They will come on quickly, so do not start them for at least six weeks, I will start by shortlisting one form of poppy and a close relation, both of which are best sown directly into the ground. They develop main root and those of you wbo wrote to complain about failure last year had usually transplanted them and disturbed the system. Thinning outdoors in situ is the right

The poppy family is becoming horribly frilled, ruffled and over-improved, but the best form is a shining beacon in the family which is being made to forget its wild origins. Papaver commutatum Lady Bird is a

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about lft high. It grows in any sunny soil, even a poor one, and has the class which other

brilliant reds lack.

It has never failed me, and those who see it seem to want tt. They also want a lesser-known Californian Poppy until they hear the name, Eschscholcaespitosa Sundew. The reality is less than a mouthful than its awful name: Simdew is about for high with pale yel-low flowers, pretty green-grey leaves and a scent which I do not always notice. It looks marvellous in the cracks of a specially-distressed path or on raised beds. It comes up like a weed, but is never intrusiva and is a perfect pair for alpines and small hardy plants after

> The poppy family is becoming horribly frilled, ruffled and over-improved

their main season Three of my old favourites now come in new Thompson and Morgan selections and 1 have to shortlist them all. The coloured-leaved Clary is an old friend, but it always used to be sold in a mixture of pink, pur-ple and white in the Salvia section of the list. The recent Claryssa strain

separates the colours into individual packets and allows you plant pure white groups or enliven other colours with a few pink highlights. Claryssa is smaller, only up

to 18in high, but those wbo grew it last year found it excellent in blocks of singles colours wherever their horders had a gap in the front row. It improvement on the recently Its single deep red flowers thrives in hot summers, mak-have a black blotch and stand ing it a worthwhile choice for black-flowered with a white later next month.



UK gardeners in exile.

Deep hine phacelia and sky blue nemophila are old standbys, but this year their forms have been extended. I am not quite sure about Phacelia Royal Admiral because it is said to have been chosen for its rich royal "purple-blue": the great joy of the ordinary lowgrowing campanularia was

that it had no purple at all. Perhaps I should favour another new exclusive, Tropi-cal Surf which spreads side-ways and flowers massively. The nemophila, I know, is excellent. It is being sold as Snowstorm because it is a lowgrowing white whose flowers are spotted with black, a visual

edge. Snowstorm is a white winner at ground level or in the edge of mixed pots, preferably in not too hot a place. What about height, the other

extreme? Here, I must reiterate the star quality of the new types of sunflower, or Helian-thus, the best of which can be sown straight outdoors in late

Italian White is a winner which is always said to reach 4ft, but I keep mine lower by picking off the dead flowers. Moonwalker is 1995's new excitement, a lemon-yellow sunflower with dark brown centres and up to 10 flowers

per plant at a beight of 5ft. floral clock. For years, I have campaigned Supposedly, it is hardy, but I can think of so many uses that I will start the seed off todoors later next month.

for the annual white flax with blue and said to be "long flow-the dark eye which also likes sunny, expetriate life, as well could well give high value, as hing value in the book. I will start the seed off todoors

introduction is not, however, hardy and sbould he started indoors: it is the one which also does the rounds as Queen of the Veldt and I can only say that it is my star annual of the past three years. All these sunflowers are

excellent choices for gardens in countries where the local seedlists are still stuck with the boring, run-of-the-mill varieties in an Italian park or a French

These two new varieties are the hardy pairs to my absolute

number one among annuals,

Venidium Zuln Prince, another

white with zoned centre at a

height of about 2ft. This great

as British moderation It is now quite safe in several lists, segregated as Linum Bright Eyes and worth every penny for its silky quality Behind it, I will go for an old favourite in an evocative variation and a new arrival in front which looks tremendous,

The old favonrite is Love-in-a-Mist in its darker form called Oxford Blue: it sounds like an essential companion for academic life, beyond the reach of the prevailing barassment code. The new is from California.

but the pictures make me want it too. Linanthus liniflorus is a foot high, described as lavender blue but depicted as pure

Call for perfect pitch

f all the regions of England noted for their domestic architecture, the Cotswolds has that sense of lace that makes it so readily dentifiable.

The famillar narrow stone cottages, with steep pitched roofs and gables and dormer windows, fit in so well with the countryside that it is often said they took as if they had grown out of the ground. In recent years, however

there has been concern in architectural and conservation circles thet despite rigid planning controls some estates on the outskirts of Cotswold villages contain houses built of reconstituted stone with concrete roofs that could be found

anywhere in the country.
"We find that the design in individual houses in the Cotswolds is frequently getting better, but whenever there is an estate of more than half a dozen buildings it seems that standards have not improved at all," said Gilllan Salway. chairman of the Oxfordshire branch of the Council for the Protection of Rural England.
"The district councils do

their hest to channel these new housing estates to the edges of towns and villages, but there they intrude all the more on the countryside."

According to The Wallace and Hohlyn partnership, an architectural practice based in

#### If you build a cube, a roof of traditional pitch will end up much too large

Moreton-in-Marsh, developments of this sort should blend in with the surroundings and be built from

sympathetic materials. The practice specialises in conversions and new domestic buildings in former farmyards and parcels of land in villages throughout the Cotswolds. The aim is to reflect the local architectural styles using tra-ditional materials.

At Kingham, near Chipping Nortoo. Wallace and Hohlyn have designed 16 bomes on a former farmyard site. There is a mixture of conversions and new homes, but the narrow-ness of the huildings and the pitch of the roofs means it is hard to tell the difference between old and new.

Real stone has been used for all the exteriors but the roofs bave a variety of materials: some Welsh slate, some natural stone slates quarried locally, and some artificial

Architect Fred Batterton, of Wallace and Hohlyn, said: "The key thing is not so much the roofing material as the shape and style of the hulld-ing. It is vital to get the pitch right. In many modern developments, builders have gone for coovenient cube shapes rather than the rectangles that constitute traditional Cots-

wold domestic buildings."
The reason for this is economy: it is cheaper to build a cube than a rectangle.

"But if you look at the older cottages, the span from front to back of the building is usu-

three quarries producing natural Cotswold stone roofing by implementing a policy that discourages the use of artificial stone roofing on listed buildings. However his council's policy on new houses in conservation areas is to permit

ficial stone roofing products that are very good in both colour and texture," he said. "But they are made to take nails or pegs like traditional stone slates so the workmanship, which is the majority of the cost in a roof, has to be of a similar quality to that used in traditional stone roofing." Cotswold Stone Homes Bu Michael Hill and Sally Birch

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### Haven with a sense of history

Paula Deitz on the American Academy in Rome

the Villa Aurelia, part of the American Academy in Rome, Alessandra Vinciguerra looked out over the Eternal City bathed in the golden light of late afternoon. "Sometimes I think about how many people have planted here before us," she said, referring to the pleasure gardens of antiquity and the Farnese vineyard that later covered the hillside she looked down on, known as the Janicu-

Vinciguerra has been the co-ordinator of a transformation at the 11-acre campus in anticipation of the Academy's centennial this year. Last June, the new fountain

sent up a celebratory jet of water in the jasmine-scented courtyard, marking the official opening of the Mercedes and Sid R. Bass Garden, where the Academy's fellows in fine arts and classical studies take their leisure, behind the recentlyrenovated angust pnlazzo designed in 1914 by McKim. Mead & White. Charles Follen McKim, a

partner in the New York beaux-arts architectural firm, was the American Academy's inspired founder. Twenty-four such foreign academies have been established in Rome since tha French Academy was founded in 1666. Adele Chatfield-Taylor, the

Academy's president, describes the new gardens as being "re-imagined rather than redesigned, for there is little material anthenticating the original landscapes surrounding the Academy's villas on four sites separated by three city streets. The properties were acquired

early on through the astuteness of the American financier, J.P. Morgan. The dazzling results, based on historical and aesthetic considerations, have restored to this residential district, just within the city walls, a significant swath of Roman Campagna as well as formal plantings inspired by such compact Italian Renaissance gardens as the Villa Lante.

In 1989, while attending a meeting of the Academy's trustees, Laurie Olin, a Philadelphia landscape architect and former fellow, was dismayed by the poor condition of the grounds. "I saw that the landscape was ravaged and

Trom a high terrace of melting away down to a thin crust, but since it was happen-ing in slow motion, no one else noticed," he explained.

Once Mr Olin's firm, Hanna-Olin, came up with a master plan, including a historical report, the Academy took drastic measures to stop the erosion and give a new vision to the landscape.

The tennis court and hedges were removed and ivy was stripped from the courtyard and façade of the McKim, Mead & White building, leaving a clean, open space that retains its majestic whiteness at night.

The Academy took drastic measures to stop the erosion and give a new vision to the landscape

walk through the cortile or inner courtyard of the main building and exit into a Roman Campagna that has otherwise been lost strikes me as moving," said Olin.

The landscape remoulded into hills and concave valleys sloping down from the Casa Rustica, a picturesque building at the garden's rear, now used for offices and studios. Towering umbrella pines in

clusters encircle the rural scene that is also dotted with cypresses, fig trees and obve groves. A lone antique ruin supports a climbing rose. The Academy also maintains

an orchard with apple and plum trees and an adjoining cutting garden with rows of iris, agapanthus, dahlias and zinnias. Hawthorns and viburnum banked up against the outer fortifications huilt by Pope Urban VIII in the 17th century attract birds and butterflies.

One residence, the Villa Chiaraviglio, had acquired a garden cluttered with house plants and Christmas trees transplanted by departing fellows. The garden's romantic

character has been restored with informally clipped ilex trees and a serpentine path lined with citrus trees and roses facing a border of olean-

it flowers in clusters which is always a good sign for impact. Most of these varieties are only available if you send

away for them in order to raise

your spirits on these wet days.

If you cannot be bothered and

simply want something you

know, grow nasturtiums, and be thankful for one essential

bit of advice. The fashion now-

adays is to reduce them to lit-

tle "low mounds" which miss

Nasturtiums should trail far

and wide or run up walls on wide-meshed wire netting. The

good old mixed climbing form

still banging on in there, threatened by the wretched

which trails to a length of 6ft is

the point.

At the peak of the hill, lies the Villa Aurelia, built on fortifications constructed by the Emperor Aurelian in AD272. Once the headquarters for Garibaldi, the mellow gold and pink villa and vast formal garden were restored in the 1880s Clara Jessup Heyland, an American heiress who left the villa to the Academy in her

The main features of this garden are green parterres and aerial hedges of clipped ilex trees around a central fountain. All but 13 of the 83 trees were saved. Two free-standing ilexes on the lawn shaped like giant parasols are the symbol

of the Academy.
In place of a laurel hedge
that obscured the villa from the drive, Vinciguerra has planted a low Mediterranean border, weaving together plantings of purple-leaved sage, creeping rosemary and myrtle, interspersed with South African daisies in blue and white. Two long bay-laurel tunnels complete the formal landscape. On the far side of the villa,

below an archway of bougainvillea, terraces planted with plumbago and citrus trees slope down to the street in lush tropical profusion. These gardens recall the memoirs of another American who came to live in Rome in 1894. Maud Howe, the daughter of the Boston suffragette Julia Ward Howe, often took rides

near the present Academy in the park surrounding the Villa Doria Pamphili, where fellows now jog early in the morning. In her 1904 book Roma Beata, she described bow the Tiber, the fountains and the ilex trees "seem to whisper the secrets of the city". This certain atmosphere of

Rome was the creative force behind these restored gardens. Respecting the character of each setting, these new landmark Italian landscapes will enhance the mission of the Academy in its second century as a place of tradition and innovation. As Maud Howe concluded: "For men and women there is no school like Rome".

ally only 12ft-14ft. If you extend this, a roof of tradi-tional pitch will end up far too large. Our policy therefore is to create L and T-shaped plans which limit the roof spans and give a steeply-pitched roof of conventional cottage propor tions." One man constantly fighting for better standards in huilding materials is Michael Hill, conservation officer for the Cotswold District Council. The anthor of the recently-pub-Hill tries to encourage the

artificial stone roofing. depending on the position of the site. "There are a number of arti-

dicular Anglia; the kind people used to call simply Ford Ss.
It had six-volt electrics, a three-speed gearbox with no synchromesh on first and cable brakes. The vacuum operated

screenwipers dried np com-pletely when the throttle was opened wide and it had a funny habit of diving for the kerb on corners taken at little more than walking pace. I was immensely proud of it, although, looking back, even for its time it was a primitive

car, outclassed by contemporaries such as the Morris Minor. But I was a penurious young reporter. At £327 and 10 shillings the Ford 8 was the cheapest car in Britain. That was why I had bought lt. l could afford nothing better.
Our lives are said to be con-

ditioned by early experiences. My motoring life certainly has been. I must have driven every Ford sold in Britain during the last 40 years - Consul and Zephyr, Prefect and Cortina, Capri and Escort, Fiesta and Granada and others whose names I harely remember. The thought that Fords were

sound enough cars but destined to rate no higher than second best has never left me.

Motoring/Stuart Marshall

Fords to wipe away bad memories



Until now, that is.

Actually, I suspected my attitude toward Ford cars might be getting out of date when I first drove the new Mondeo two years ago. Unlike quite a few Ford cars – early Granadas and several front-wheel driven Escorts come to mind - the Mondeo was right from the

That could not have been said of the latest shape Escort, which had a justifiably lukewarm reception when launched in 1990. But gradually Ford responded to criticism by correcting stodgy han-dling and improving lacklustre performance. Now a series of mid-life changes have moved to toward the top of its class.

When I drove two of the new Escorts - a 1.6-litre petrol-engined Ghia five-door and 1.8litre turbo-diesel Ghia estate --in the south of France last month, my first impression was of great refinement. Even when driven hard,

their engines sounded decently remote; the transmissions (five-speed manual only for the



The 1995 Ford Escort Ghia. Milnor cosmetic changes, but e radically improved car

moment) were silent; and both wind and road noise were at utive cars. In general, they felt more lika slightly downsized Mondeos than merely mproved Escorts.

Suspension changes have sharpened Escort steering response and improved both roadholding and ride comfort. Power-assisted steering is stan-dard on LX models and available as an optional extra on all the others except those with 1.3-litre engine

On every kind of road from smooth autorontes to rough and twisting country lanes the Escorts were well mannered, willing and above all, refined. Only the gearshift got a

thumbs down. Ford says it is better than before but I found It rather ponderous, especially

when going into fifth. One in every three cars sold in Europe is in the Escort's size and price class. Competition, already intense, will get stronger this year as new cars such as the Honda Civic five-door appear, but the Escorts

or Audi. The US-made 24-valve engine develops 90 per cent of its peak torque (pulling power) over a wide speed range and overall gearing is moderately low. This means that once out of town, a lazy driver can stay

are good enough to meet their

than before, start at £9,495 for the entry model Escort 1.3

Encore.

After sampling the new Escorts in France. I spent a week back in Britain with a 2.5-litre V6-engined Mondeo Ghia 24V 5-door. This was so good that, had I been put into its with all identification.

into it with all identification

marks removed, I could have believed I was driving a BMW

Prices, only 2 per cent higher

rivals bead on.

in top gear for most of the time. Yet the V6 spins eagerly and silkly to high revolutions so that overtaking can be rapid and safe. It is also a totally relaxed motorway Rear sent headroom and lee-

room are less than generous though this will not trouble the business motorist who normally drives solo. He - or she — will find the lavishly equipped, £19,815 Mondeo 24V Ghia, one of the best choices in its price class. And as for me, I

awkward stutter ing turns, or straight down, there are several ways of getting down a mountain Getting from head-over-heels

to elegant curves requires time in the mountains, hours of practice and expert tuition – but a few tips from fellow ski-ers can help enormously. Weekend FT asked readers

to share their skiing tips and

then asked ski celebrities for their contributions. The responses were many and var-

For those who plan to ven-ture into powder, for example, Mark Peaker, of Lausanne Switzerland, has a one-word suggestion: "Relax." He explains: "You can't ski

powder if you are tense. Hold your arms out wide and try to let your skis glide in big swings. Don't try to force a turn and remember – every powder skier falls over, and so will you."

Christopher J. Ames of London agrees: "Relax by con-quering fear and keep you shoulders facing down the fall

For those on the piste, Anthony Leech of London sug-gests: "One only ever skis on one ski. The other, if you for-get it, will find its own way down. If all else fails, whistle your favourite tune and admire

Starting young, keeping fit. finding an instructor who speaks your own language, taking private lessons and ng as much time on th snow as possible are suggested by many repsondents. And Dr J.H. Swallow of Chelmsford, Essex, adds: "Confine your drinking (of alcohol) to the eve-

Good advice for everyone visiting the mountains comes from Christian Warland of London: "Ensure the only things you leave behind you are the perfect tracks of your skis - no cigarette butts, chocolate wrappers, empty cans

The experience of Ann Miller-Allan, a former professional dancer who was stung into skiing after her son suggested she try it before she "got too old". is both helpful and inspira-

tional to mature beginners.

Two weeks after her aon's teasing remark, Miller-Allan, of Seaford, East Sussex, was in a beginners' class feeling awk-ward and clumsy.

But the rewards followed quickly: "My best skiing was that first time of utter confi-dence and control while hurtiing down a red run with the sound of my son's gleeful cries of encouragement alongside

She still dances with an operatic company in Eastbourne and has found one exercise good for strengthening the legs

for skiing and dancing.

She tells beginners: "Find a gentle slope, ski straight ahead with your feet a foot or so apart, and as you glide forward, simply shift your weight from one foot to the other. You

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# Take a tip from the experts on how to tackle a slope

Arnie Wilson and Peter Whitehead pass on advice from FT readers and ski celebrities

will naturally start to alalom. "This movement gives a feel-ing of superb control when the legs. Dancing and skiing go together - auppleness is the

But Bernie Cammell of Southampton urges skiers not to take fellow skiers' tips too seriously: "Avoid treating these nuggets as authoritative and take proper instruction. Skiers of all standards can learn from good teachers."

So what do the experts and celebrities have to say?



Bill Johnson

(Above) Olympic downhill champion, 1984. Now ski ambassador at Crested Butte, Colorado ■ One of the most important your skiing.

aspects of skiing that I teach all my students in my clinics is to practise skiing on one ski at a time. This is true of racing

Keep a solid foundation or skiing stance. Keep your feet ahout shoulder-width apart and stay in a racing dynamic position with your hands out in front and your knees bent. And if you are ever in my

neck of the woods [Crested Butte] and like back-country skiing, NEVER ski alone. Besides, It's much more fun to ski with someone else.

#### **Tommy Moe** Current Olympic downhill

■ Eat fiva pancakes, two bananas and yoghurt for breakfast; two turkey sandwiches, salad and fruit for lunch: a mid-afternoon snack (sports bar); and steak or pasta

I find I don't get sick as often when I have a little body fat. so I eat around 3,500 calories a

#### Glen Plake Extreme skier featured in

■ Point everything downhill: head, arms and chest. Don't make huge movements with your arms when you're planting your poles. It's a very small

And always be aware of your



Franz Klammer

(Above) 'Kaiser' of the Hahnenkamm Always try to finish your turns. Don't skid them - carve

#### Martin Bell Britain's senior downhill

When you are skiing in bad visibility, stretch your arms forward and imagine that you are "feeling for the terrain" with your ontstretched hands. To carve turns with a long radius at high speed, do not swivel or rotate the ski to start the turn. Keep the ski tips

pointing in the same direction

#### and just roll the ski on to its edge and the sidecut will do To ski in powder, always

spread your weight evenly between both feet, and make your movements dynamic but

#### David Swanwick World Extreme Skiing

champion

Never be afraid to get back to basics. No matter how good a skier you are, spend a few minutes every day in the

#### Andy Mill

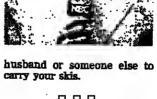
Former downhill racer with the American ski team, now director of skiing at Aspen, Colorado ■ Always control your speed

and finish your turns. Maintain a good balanced position with weight on the middle of your skis and a good athletic stance, with knees bent and your hands slightly

forward. Also, never ski without your wife or girlfriend so you have someone to hug and keep you

#### Chris Evert

(Above right) Former tennis champion, intermediate skier, married to Andy Mill. ■ Only ski at Tiehack [Aspen's easiest mountain]. Make sure the sun is shining.



The final thought comes from Nigel Lloyd, a Weekend FT reader and member of the One Ski in the Grave club. He advises: "Never take lessons. There is not a ski instructor alive who can help me. I should know - I've tried hun-dreds and they've all given up.
"In Bareges they said 'you've got a good wide stance'; in Val

d'Isère they said 'yon don't really need poles'; in Davos it was perhaps you are happiest doing it your own way'; Soldeu was 'we'll wait at the lift -

you'll get there'. "And at Alphach, they said Nightingale (this was the clos-

### Back door to a place in history

Fishing/Tom Fort

They slave away on behalf of monarch and country, doing the donkey work. They earn the gratitude of the great men, respectful notices in the newspapers, and footnotes - if that - in the Occasionally, very occasion-

ally, they manage to give drudgery the slip. The trick is that, long after the mountains of paper they have shifted in the name of duty have been forgotten, it is the fruits of the few, precious hours of innocent pleasure-seeking which give them lasting renown. One such was John Buchan, who worked himself near to

death as lawyer, politician, and Governor-General of Canada and whose reputation as a serious writer was built on his blographies of men such as Montrose and Caesar. Yet he lives today as the cre-

nay, Leithen, McCunn and the rest - romances dashed off with as much serious intent as you or I might devote to a spot of gardening. Grey of Falloden was in the same mould. Earnest students

of British history of the early 20th century will know him as a tireless, conscientious and ultimately not very effective foreign secretary.

But his memory is dear to a host who know nothing of his

exertions to maintain the balance of power in Europe but who love his classic celebration of escapism, fly fishing. Fishing, I need hardly say, is the link between Grey of Fallo-

den, Buchan (who did not write ao much of it as he should), and my subject today, John Waller Hills. For it is the fugitive sport, par excellence.
If life or labour become too

much, or the temptation of a gorgeous summer's evening too great to resist, the moment can be stolen at once. Appointments can be put off, clients deflected, tha telaphona ignored, papers pushed to one side, spouses appeased, children bribed.

A wave and a cheery word to one and all, the tackle ia seized, the river reached, the strides through the meadow grass lengthened, until that corner by the willows reveals itself. And, by God, a two pounder

is nymphing on the gravel! For these men - Buchan, Grey, Hills - such escapes were a good deal rarer than they are for me, possibly because they had a stronger notion of duty. Of the three, I would guess that Hills did much the most fishing. Incontestably, he is one of the great angling writers of the century and I only hope this is some consolation for the fact that his political career is now utterly forgotten

Yet in his day he was a coming man. He became an MP in 1906, and after most gallant service in the Great War, was chosen by Bonar Law to be Chief Secretary to the Treasury in 1922.

This should have been the first step towards remarkable things. But Hills lost his seat, and by the time he got one back, his hour had passed. Use he sun is shining.

est the instructor could get to hack, his hour had passed. Use. And never ski without your Nigel), where are you going?"

ful, loyal, industrious, an absocommittees, he remained on the backbenches until his We who care more for our libraries than for obscure legis-

lation should be grateful that

the promise was not fulfilled. Had Hills ascended the minis-

terial ladder, be would doubt-less have fished much less, written much less, and worn his mind out on his dispatch As it is, he wrote one absolute classic, A Summer on the Test, and a crop of other first-rate books, among them A History of Fly Fishing for Trout, which is about to be republished by the Fly Fisher's Classic Library (Dartmoor

Vlew, Mary Street, Bovey Tracey, Devon TQ13 9HQ, tel: 0626-835714). For anyone who regards fly fishing as something more than a means of hastening a trout's journey from water to freezer, this is simply one of the indispensable books. On the front of the first edition, published in 1921, is an apho-

#### It is wonderful that so much ingenuity should have been lavished on things that really do not matter

rism of the 18th century Duc de Choiseul – "La Pêche est ma folie". Whether you translate tha

last word as folly, obsession or harmless madness, the whole subject is, of course, utterly trivial. But to me, it is wonder-ful that so much of mankind's ingenuity should have been lavished on things that really do not matter in the least -such as persuading a trout to seize a whispery creation whisked up from feather, fur and silk

For Hills, the whole story is a progress towards the invention and embracing of the dry

But be shows his greatness in his appreciation of those who signposted the way, and his refusal to join the dry fly bigots. A dry fly man through and through, he was, nevertheless, open-minded enough to recognise and properly value the brilliant perceptions of G.M. Skues into the subsurface world.

It would be going too far to say that Hills' book, now three quarters of a century old, is the last word. There have been other valuabla histories since.

But I do say that his is the essential one, and there is no educated or sensitive fly fisher whose understanding and affection for the sport will not be enriched by reading lt.

salmon fishing on the Tay in Scotland, omitted to say that my trip was organised by Bob Brownless, whose company. Bobsport, can be contacted at 9 Craigleith Hill Crescent, Edinburgh EH4 2LA, tel and fax:

صكنا من الاحل

ifty years on, the Holocaust still has the power to leave us numh with shock. Nothing in the history of man's inhumanity to man had prepared us for the planned systematic extermination of Europe's Jews, the so-called Final

The Jews, many of them, could not believe what was happening to them. The Europe they knew was the home of Goethe and Schiller, Beethoven and Kant. It was the hirthplace of enlightenment and liberalism, the benchmark of high civilisation. How this culture failed to prevent, or to produce

significant protest against, the rumanisation of a society, remains one of the great unanswered questions of the twentieth century.

For many years the trauma left by the destruction of two-thirds of Europe's Jews was so intense as to create a kind of silence. There were few books published about the Holocaust. Survivors kept a wary distance from their own memories, and that may have been part of what helped them to

As time has passed, though, the floodgates of memory have begun to open, not least because the

generation of those who lived through the nightmare, seeing a world in which ethnic and racial tensions still scar humanity, wonder whether the lesson of the Shoah has really been

Memory is the mentor of conscience. What we can forget, we can repeat. At the very time that can repeat. At the very time that, the factories of death were at their height, their victims sensed that a massive attempt was underway to render the Shoah invisible and deniable, an attempt sustained ever since by revisionist Holocaust historians. When the grounds of

Auschwitz were excavated after the

war, dozens of written testimonies were discovered buried under the earth, written by those who, shortly before their deaths. suspected that every effort would

> SACRED GAMES by Gerald Jacobs Hamish Hamilton £16.99, 271 pages

be made to cover all traces of what had occurred. Above all else, they wanted the world to know and remember.

That is what makes personal testimony a moral act, and books

reading for those who believe that the single most compelling imperative to emerge from the Shoah is: never again. It is the story of a young Hungarian Jew, Miklos Hammer, and of his journey through the landscape of heli: Birkenau, Auschwitz, Buchenwald,

Dachau.

Almost incredibly he survived. We travel with him through the transportations, forced marches, selections for the gas chambers, and the seemingly endless brutality, at times random, at times ruthlessly methodical. Here people die of starvation and cold, re a son is forced to kill his

father. Everywhere we encounter not just violence but evil, for the victims were not just tortured or murdered, but also stripped, stage by stage, of their humanity.

It is the story of a survivor, and we discover how close was Hammer's brush with death. At one point he escapes a mass execution by hiding in a cellar, at another by king on the identity of an Englishman he meets on a transportation. On almost every page we are conscious of the deaths of those around him as one by one they disappear never to

Remembering is the greatest service we can do to those who died. Works like Sacred Games make it possible for generations born after the Holocaust to come face to face with its reality. It answers on questions, but it tells a compelling story of what it is to travel through the valley of the shadow of death, and to

adds a note dedicating it to the

the darkness and indifference

memory of those who perished, hoping that it will blaze through

Rabbi Dr Jonathan Sacks is Chief Rabbi of the United Hebreu

# Blair: a prime minister in waiting

But look at the odds before placing a bet, advises Malcolm Rutherford

he story goes that when Tony Blair was first elected to the House of Commons in 1983, he was warmly embraced by Sir Edward du Cann, the chairman of the Conservative 1922 committee, as one of the bright new Tory intake. Blair has continued to dazzle the Tory Party ever since. In a famously leaked memo last year, John Maples, a deputy chairman of the party, wrote: "If Blair turns out to be as good as he looks, we have a

Here is the first biography of the man who might be Britain's next prime minister and the first Labour one other account of his life is on the way, timed for the party conference season.

Such early offerings can be useful. What politicians said or did in the sweet blaze of youth tends to drop out of the records if and when they become respectable. The young

TONY BLAIR: THE MODERNISER by Jon Sopel Michael Joseph £15.99, 308 pages

James Callaghan, for instance, voted against British membership of the international Monetary Fund, hut that was long before he became chancellor of the exchequer and eventually prime minister. In Amerlea the young Newt Gingrich had some eccentric ideas, like putting the disabled into space because weightlessness would relieve them

of their problems. The young Tony Blair seems to have little to fear from his past. At Oxford he played in a rock band, but never took drugs. Even if he had, like Bill Clinton he would not have inhaled. He has been a bit cryptic about membership of the Campaign for Nuclear Disarmament, yet since the cause was espoused by Presidents Reagan and Gorbachev, there is nothing disreputable about that.

Jon Sopel's book is not an "authorised" biography, though the author has had access to Blair. As a BBC commentator, Sopel covered the campaign for the Labour Party leadership last year from which Blair emerged as the clear winner. There are other sources, too, notahly Michael Howard, the home secretary: his rating of Blair turns out to be remarkably high. Less surprisingly, there is Neil Kinnock, a former Labour leader, whose judg-ments on Blair seem more balanced. Sopel's approach is sympathetic

ronislaw Malinowski, one

of the founding fathers of

anthropology, first mada

his name with his field

work in the islands east of Papua-

without stooping to sycophancy. There is, however, a sprinkling of bias against other people in the Labour Party. He appears to regard John Smith, whose death led to Blair's accession, as pretty much a failure. He pays no tribute to the consistency of Smith's views on Europe and scarcely acknowledges that by playing "the long game", Smith's attempt to bring Labour back to power might have come off. He thinks that the party was in crisis before Smith died and he is churlish about Margaret Beckett, Smith's deputy, who seemed to many to behave with dignity during

the leadership campaign. there is another Labour government, it will be partly due to the way Denis Healey stayed with the party when others were leaving to found the Social Democrats, and the way Michael Foot kept the party going in times of adversity. Without such guardianship of the bunker, there would have been no chance for Kinnock, then Smith and now Blair to recoup.

The formation of the SDP was when Blair came in. He had no time for the new grouping and stood as the Labour candidate in the home county seat of Beaconsfield in May 1982 - the time of the Falklands War. He was massacred, but made the quixotic decision to fight the

seat again at the general election. Some of his friends told him not to be so daft, and almost at the last minute he was selected for Sedgefield in the north east. This was exactly the right place for a man who had lived in Durham and been to school in Scotland: not middle England, but middle Britain. Since then ha has returned to the constituency to make many of his key political statements, like the deci-sion to run for the leadership. In his Who's Who entry he lists Trimdon Colliery and other local institutions as his clubs.

Sopel leaves no doubt about the extent of Blair's amhition. He regretted that he did not stand for the daputy leadership after Labour's defeat in the 1992 election. He had no hesitation in going for the leadership directly on John Smith's death, though if Smith had died a few months earlier, the main candidate would have been Blair's longstanding friend, Gordon Brown Brown, however, had overexposed himself on the madia and Blair looked the more attractive figure. As this book reveals, John Prescott. now the deputy leader and a far more traditional Labour figure, was extremely helpful to Blair in the



campaign by forcing a contest rather than allowing a walkover. Some defects emerge. Not everyone will like the intensity of Blair's religion: as a young man he would often stay up late at night, reading the Bible in bed. During his leader-

assistants hy demanding to ha driven to church to take communion on a Sunday evening. He seems to have gathered a coterie of friends around him from a very early stage. Comparisons with Bill

ship campaign he infuriated his Clinton are a little too close for comfort. Will he be prime minister? You should look closely at the odds before placing a bet. He is not home yet and the young Tony Blair may have regalvanised the not-so-old John Major.

### Work before women

**I.D.F. Jones** muses on the story behind these wonderful letters

New Guinea. A cosmopolitan Pola stranded in Australasia by the first sponsors. For 12 of these months world war, he met and in due "Bronio" was travelling and course, against much resistance, researching in the Trobriand married Elsie Masson, a Melbourne Islands, so we have here, in addi-tion to the passionate and lonely nurse of Scottish extraction. He took her hack to Europe where, sentiments of two people who were because he was away so often and falling in love by letter, vivid because they chose to site their family home in the Tyrol although descriptions of the primitive societhe was teaching in London, they ies of Oceania and a non-technical preview of the raw material which wrote to each other far more often was to become Malinowski'a first than most couples choose to. The Story of a Marriage is a colclassic. Argonauts of the Western

lection of their letters, brought Pacific. together and discreetly edited hy their youngest daughter. No doubt Much more important, the point is that both of them could write a it will have its own fascination for wonderful letter; Elsie is his equal as she battles with her parents, comes to terms with her bereaveethnologists and the like, but for the lay reader it turns out to be a surprise and a delight. ment and with mysterious rumours of Bronio's other attachments.

With the second volume, in Europe between the wars, where they flitted from Scotland to the Canaries, to Poland (very briefly). to South Tyrol and, eventually, to

London's Primrose Hill, Bronio is too busy to write at length as Elsie reports on raising three children. more often than not in their father's absence, and fascism comes down over Italy. Bronio writes about the dramas of Academe and his meetings with the great and the good,

THE STORY OF A MARRIAGE edited by Helena Wayne Routledge, 2 volz £40l£13.99 each, 196l261 pages

and protests that he wishes he were back home. Then, so tragically soon, Elsie's multiple sclerosis is confirmed, and the last chapters are overshadowed by her brave, cheerful, hopeless search for a cure to the disease which would kill her, only 45, in 1985. This second volume is desperately sad because we have

come to know Elsie through her own words and to appreciate her as a person. All the letters, from first to last, never cease their mutual assurances of an intense and cer-

And yet ... there is something odd here. Why, if they were both so happy to have found the other, did they spend so much time apart? They are both always insisting how much they miss each other, even if Elsia occasionally cracks ("This is an absurd and atmless life we are both living and I don't know why you are there and I am here . . . "; or again, "Goodbye my own darling. This separated life is horrible. We didn't marry for this, surely...").

yet this is what they chose. The clue may have come as early as 1917 when Elsie writes to her secret lover, "I was thinking that the problem of a man's work always must come before a woman. It is in

a sense antagonistic to her, and she has the chance of making it her enemy, or becoming its ally ..." Even when they were living on

Tenerife he took a separate cabin in the mountains. In 1934 when she was desperately ill he spent five months in Africa, writing home with relish about his hero's reception; soon after his return he was again off to America.

It is clear from Elsie's letters that she understood that he was moody, hypochondriac, temperamental, indeed, difficult. It is clear from Bronio's letters that he was largely innocent of the truth that he was self-absorhed. But did either of them understand that he must have relished his work - his fame - more than his marriage?
I have a red-hot idea for any dra-

matist out there. 84 Charing Cross Road, von recall, dramatised the trans-Atlantic correspondence between two ordinary peopla and became a cult success. In the same style, someone should turn these marvellous Malinowski letters into a duet for the stage. It would have everything: romance, fame, exotic tales, poetry and, above all, tragedy.

### The barbs are blunted

Graham McCann on an ageing rebel's reaction to the Clinton campaign

unter S. Thompson's sure of finding the enemy on the first foray into American Low Road", Without Nixon, Thomppolitics resulted in his account for Rolling Stone magazine of the 1972 presidential election: Fear and Loathing

on the Campaign Trail.

It was a striking, irreverent and idiosyncratic assault by the "Outlaw Journalist" on the fawning attitudes of the Washington press corps and the cynicism of the campaign managers. His attacks on Nivor. "He speaks to the bully in us: the hully, the predatory shyster who turns into something unspeakable, full of claws and bleeding stringwarts on nights when the moon comes too close . . . ") were frequent, fierce and memorable.

Thompson never stopped baiting Nixon and his entourage. The staccato delivery of the prose - the

BETTER THAN SEX: CONFESSIONS OF A POLITICAL JUNKIE by Hunter S. Thompson Doubleday £15.99, 252 pages

result of a mind distracted by drugs and desperation in the face of suitable stylistic compliment to the impatient observations. It was never reliable reportage, nor was it always responsible, but it was unusually passionate and it was written as though politics really

Better than Sex, which records Thompson's return to the campaign trail for Bill Clinton's bid for the presidency in 1992, is a much less impressive, but much more poi-gnant, sequel to Fear and Loathing. Thompson's "long weekend", which lasted nearly two decades clouded hy disputes, drug addictions and writing blocks, left him ill-prepared for the politics of the 1990s. The Clinton team grew up in - and out of - the 1960s culture to which Thompson remains tied, and Thompson was unsure as to how to engage with such serious young professionals. The Bush team, on the other hand, was very familiar to Thompson, yet no easier to come to terms with: Nixon, Thompson's bete noire, was gone, and those left behind seemed merely mediocre, the dregs of the old demonic brew. When Nixon was there, confesses Thompson, "we could always he

son was without a moral compass. No political figures he observes elicit from him any of the old wit or anger, all the harbs are blunted: George Bush is dismissed as a "fraud" and a "punk", Ross Perot mocked as "a cranky little bastard", while Clinton is merely a "New Age sensitive guy". The memory of Nixon is used, with a growing sense of desperation, as a means of inject-ing some passion into this supine account, but even the spectral Nixon cannot inspire the writer into transcending unintelligible mutterings and unimaginative insults ("criminally insane", "scum" "queer in the deepest way").

The book improves appreciably, however, as election day draws near. This is mainly because Thompson, after weeks of lazy theorising, meets some of the Clinton campaign team. What follows is fas-cinating, but probably not for the reasons Thompson intended. His meetings with James Carville, for example, sbow the ageing rebel unnerved by someone sharper, mora soher yet perhaps even stranger than himself. His meeting with Clinton (over a bowl of fries in a diner), which promised so much the dope fiend and the draft dodger one man still living in the 1960s, the other struggling to shake them off -produces little more than a low-key replay of Falstaff's exclusion from the young King's court.
With Clinton in the White House,

Thompson is no longer the outlaw, just the ontsider. It hurts. He resorts to firing off a succession of friendly approaches to George Stephanopoulos, offering advice and support: the responses tend to be brief, polite but gently patronising. The author is left to wander aim lessly between half-hearted hope ("l got into politics a long time ago. and I still believe, on some days, that it can be a honorable trade" and world-weary cynicism ("The enemy of my enemy is my friend, like the Arabs say - and if he happens to be a swine, so what? At least he is our swine").

Better than Sex offers no solutions, just a few tart observations -the most persuasive of which is probably that politics, though not as pleasurable as sex, is likely to remain at least as widespread in the

#### Fiction/Nick Foulkes

### Splinters from life

Lit a standard piece of travel writing. It is a collection of fragments, shards and splinters of experience, some a few pages long, others harely a couple of lines, many with a strong autohiographi-cal flavour. The effect is by turns maddening and intriguing. After a while a picture huilds up, not like a straight-forward narrative, hut rather like the layers of shellac, varnish and polish on a piece of furni-

ture. Themes emerge; homoeroticism ularly Irish history, are just a few. Images recur; Maud Gonne, flowers, Teddy Boys and tinkers for example. Characters reappear at various times throughout the book: most memorahly the narrator's lovers. The book is carried by Hogan's writing, which is underpinned by a daz-zling vocabulary. The whole effect is probably best summed up by an image used by Hogan himself: that of a stained glass window. It is as if all the disparate elements that

make up A Farewell to Prague should appreciated at once. "Ill be able to cope with it soon, when piss and juice and the sweat between his sweet dirty arse have cooled off the situation here inside me", is the kind of line that crops up in The Miracle Shed, a collection of short stories by Philip MacCann. At their worst these stories are little more than self-indulgent hallucinogenic posturing. However, many of the stories in this collec-

tion have something, sometimes

much, to recommend them. There

Farewell to Prague hy
Desmond Hogan is not a
conventional novel, nor is
which a group of schoolboys plot to have their Latin master killed by a loyalist terrorist organisation.

About his good stories there is an air of Raymond Carver, as be documents the mundane yet grisly, sad, sordid lives and sexual fantasies that are played ont in a decaying cityscape of blocks of flats, where a girl's hair is scented with chip fat,

A FAREWELL TO PRAGUE by Desmond Hogan Faber & Faber £8.99, 256 pages

THE MIRACLE SHED by Philip MacCann

Faber & Faber £8.99, 224 pages

the lift reeks of urine and a functioning public telephone is a rarity. His subject matter is often harrow ing and distasteful.

With a repertoire of shocking mises-en-scènes and rude words. MacCann could huild himself a Damien Hirst type reputation as some sort of enfant terrible. But it would be a great shame if this were accomplished at the expense of the more worthwhile areas of his work.

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The first volume hagins with their meeting, when Elsie was mourning the death at Gallipoli of her fiance, and ends with their marriage after they had defied the disapproval of her parents and his

#### oreign exchange markets are the gorilla in the night-mares of finance ministers. Some hapless government is ambling along the path to mone tary union, or economic nirvana, and wallop! – a burst of specula-tion, and the dazed minister is franc's woes. knocked off his feet and nursing a sore head, while his attacker disap-

pears back into the bushes. Given that currencies tend to be symbols of national pride, the damage done by foreign exchange traders makes them a favourite bogeyman of politicians. In the 1960s, Harold Wilson blamed the "gnomes of Zurich" for the pound's troubles: in the 1990s, the French cited "Anglo-Saxon speculators" for the

### A market impossible to tame

Philip Coggan explains why foreign exchange traders are the politicians' favourite bogeymen

It is, from one point of view, a severe limit on democracy if economic policies are thrown off course by the whims of foreign exchange dealers. But John Roberts, a financial journalist. takes the view that the markets perform a necessary function of correcting government when its ambitions get too divorced from

Referring to the 1992-93 crists in

talks of the social disruption caused when European countries with high unemployment rates tied their economic policies to Germany, where the Bundesbank was using high interest rates to counter the inflationary effect of reunification. By cansing the breakdown of the ERM. he writes, "the specula-tors in effect sided with the popu-lace against the politicians." In the course of ontlining all the

1000 BILLION A DAY: INSIDE THE FOREIGN **EXCHANGE MARKETS** by John Roberts HarperCollins £6.99, 270 pages

myriad participants in the markets - bank dealers, corporate treasurers, brokers, pension funds -Roberts certainly illustrates that "conspiracies" to undermine particnlar currencies are unlikely. He says that "there is no evidence to suggest that speculation or the greater volume of dealing generally have made exchange rates more

But the idea that the markets are simply the instruments of cold reality is difficult to sustain. There have been many occasions when currencies, such as the dollar, have fluctuated so violently that it is impossible to believe that their

economic fundamentals. In such circumstances, politicians can hardly be blamed for considering ways of restricting the freedom of the markets. But the gorilla will eventually break free of its cage, as the ERM crisis showed.

Foreign exchange intervention the equivalent of offaring the gorilla a banana to go away - does not work either. The world's central banks simply do not have

draws the reasonable conclusion that, in the circumstances, it might be best if some of those reserves were invested more productively. The lay reader can learn a lot about the markets from this book although the first chapter is a little confusing. But it is a pity that, unlike Liar's Poker, Michael Lewis's book about life as a bond salesman, there is not much fun in this tome. In real life, foreign exchange

enough reserves to be sure of defeating the markets. Roberts

traders can be colourful individuals. One anecdote slips through. Dave the broker does a realistic impression of Allied bombers over the telephone; apparently the German clients love it.

# Songs for the new consumer

The story of pop, which began so joyfully, is now dehumanised by technology. Nick Groom reports

reference and polemic. Donald Clarke traces western popular music from the ninth century to the 1990s. He focuses mainly on the experience of the past bundred years: the golden age of jazz, Broadway, big band, swing, and rock'n'roll. It is an absorbing, ludicrously informative, and strangely moving account. And it is full of fascinating things.

Clarke recounts the invention of tap-dancing, and refers to the critic on the *New York Herald* who lamented in 1892 that the refrain of "Ta-ra-ra-boom-de-ay" had become "a hideous nightmare"; he also tells us the enchanting nugget that W.C. Fields began his performing career

THE RISE AND FALL OF POPULAR MUSIC by Donald Clarke Vicking £22,50, 615 pages

as a juggler, and includes the news that current research on the Delta bluesman Robert Johnson cannot yet be published as his killer is still

We also learn that Frank Sinatra recorded one of the first concept albums, that the Shangri-Las' melodramatic death song "Leader of the Pack" was answered by the Detergents' "Leader of the Laundromat". and we are invited to marvel at Bruce Springsteen's imbecilic remark, "Chuck [Berry] played in a lot of strange keys, like B-flat and

music has ceased to be something that we do and enjoy and has become something that we consume. He is interested in the effect of mass markets upon popular music. Early on he emphasises the trans-Atlantic dissemination of John Playford's 17th-century English Dancing Master and the profit-maximising schemes of 18thcentury printers of broadside ballad. He argues that these commercial values determined popular

he Rise and Fall of Popular music at street level, and thereby Music is an epic work of structured the culture of the people. Ragtime croon-shoutars stopped shouting when they found that microphones enabled them to croon with intimacy. The gramophone for mat dictated the length of Broadway songs - they usually lost their introductions. Jukeboxes playing the same hits over and over again inspired record company policy-makers to restrict radio play-lists to the "hit parade". Phil Spector's "wall of sound" trademark was

overproduction designed to sound good on trannies and car radios. This is why Clarke bemoans recent popular music. "The pop charts of the last two decades have been dominated by the toys of technology and the sound of money talking". Clarke's attack on post-Beatles pop is bracing: "the twangy synthesisers and thumping machines all have one thing in common: they do not and cannot

Swing is what it is all about. For Clarke, Duke Ellington and the swing era represents "a highwater mark in the quality of popular music". Popular music began to swing in the 19th century, but it really got into the groove with jazz. The Rise and Fall of Popular Music is a glorious celebration of the jazz greats, and Clarke writes about them in a neat, tersely droll style: he swings too. He has a wealth of information at his fingertips, and inevitably the book sometimes reads like a chronological version of his earlier Encyclopaedia of Popular Music - a pell-mell fury of names, - there are even some major omissions, such as the music hall tradition and popular hymnals. But it is quite a performance nevertheless. With the advent of rock'n'roll Clarke shifts to a minor key. Rock'n'roll lacked any cultural values to guide it, and when The Beatles arrived, tha popular music scene stalled. The Beatles inspired



"One good thing about music, when it hits, you feel no pain ...". The opening lines of Bob Marley's concert at the London were a Rasta, and the whole movement just spread," recalled one observer. From "Bob Madey: Songs of Freedom" by Adrian

Clarke still holds out some hope that, as in the past, a moribund music scene will be rescued by the Afro-Americans. But this argument fails to explain the recent troublesome trends - the pomp of the 1970s and the pose of the 1980s. Where were the Afro-Americans when the white boys needed them? Clarke cannot find anything salutary in

disco, (which is hardly a surprise). or even in reggae (Bob Marley receives only the briefest of treatments). Instead, rap is the great white hope. And yet it is such a vilely misogynist, anti-Semitic, and stupidly violent concection that Clarke (wisely) does not back this one either, and the book ends on an

This is a work of enthuslasm and bitter passion. The story of popular music, that began so joyfully as a celebration of the human dynamics of swing, ends as an industrial tragedy of technological dehumanisation. Donald Clarke forces us to face the bleak prospect that our songs are being denied us; he forces us to face the music.

may jib at a phrase - "paid military

de la Défense in Paris. A lively introduction to its subject - that country where Mazarin observed "anything may happen" the volume is well and generously

Clement Crisp A history of these events would make enthralling reading. But

# Propaganda and the case for paranoia

A.C. Grayling on a classic conspiracy theory involving subversion and betrayal

illi Munzenberg's body was found in a French wood in 1940, slumped at the foot of a tree with a rope around its neck. He had been dead for some months. Did be commit suicide, or had Stalin's terror machine dealt with him as with so many of its former servants, one

of whom he had been?
As a classic example of a conspiracy theory, Stephen Koch's account of Willi Munzenberg and the Soviet propaganda machine of the 1920s and 30s is hard to beat. There is a riveting story here: Moscow worked hard to gain friends and influence people in the west, in particular by enlisting intellectuals. Willi Munzenberg was a central figure in this endeavour. Using Munzenberg's story, Koch weaves a tale of massive Soviet-inspired betrayal by western intellectuals. And he makes an extraordinary claim about covert

Soviet-Nazi cooperation.

Conspiracy theories are more often prompted by our human inclination to paranola than by the facts of history. But they are true just often enough to keep our paranoia alive. In evaluating conspiracy theories we have the added difficulty that truth is often far more bizarre than fiction, so that even their surreality is not an immediate ground for rejecting them. Roch's account severely tests this principle.

Munzenberg was a German com-munist who had been a successful publisher and a Relchstag MP before Hitler's rise. He was a member of Lenin's inner circle even before 1917, taking a part in the preparations of the exiled Russian eaders. From the earliest days be played a leading role in the Commu-nist International or Comintern, a "cultural" body founded by Lenin in 1919 as a machine to propagandise world beyond the Soviet Union's borders. One major task of the Comintern was to attach the support of educated opinion in the west. As Koch argues, it was also an excellent cover for spying, subversion, and the recruitment of agents.

In his Comintern work Munzenberg was involved in many activities. The Left Book Club and the League Against Imperialism in Britain, the publishing house Editions du Carrefour in Paris, and the New Playwrights' Theatre in New York, are just a few of the organisations claimed by Koch as Comintern fronts. And he attributes to Munzenberg's far-reaching web of activity the recruitment of the Cambridge spies, the Peace Movement. the Sacco-Vanzetti case in America, and very much besides. Munzenberg's chief work came

after Nazism's triumph in Germany. He based himself in Paris to organise the Popular Front, the international anti-fascist movement which mobilised opinion against Hitler and Mussolini, keeping the prospect of resistance alive despite appeasement. The Front's first experience of action was against Franco. As its leading light Munzenberg attained celebrity; to some be was a hero.

Koch's account is not simply historical. His eye begins to roll in the very first pages of the book, and by the time Reds have been discovered not merely under the bed but in it. and in the bathroom and the pantry, the potting shed and the boot of the car, it is revolving wildly. For it seems that almost everyone -Ernest Hemingway, John Dos Passos. Dashiel Hammett, Andre Gide, Lytton Strachey: any left-leaning intellectual's name will do - and almost everywbere - Cambridge, Bioomsbury, Hollywood, Broadway. Washington - was somebow connected with or sympathetic to or penetrated by the Munzeoberg web. The most dramatic claim in Koch's book is that Munzenberg's Popular Front against fascism was in fact a cover for secret Soviet-Nazi

DOUBLE LIVES: STALIN. WILLI MUNZENBERG AND THE SEDUCTION OF THE INTELLECTUALS

by Stephen Koch

cooperation. During the mid-1930s,

Koch writes, the two totalitarian

states under tha cover of their

mutual hatred were negotiating

HarperCollins £20, 419 pages toward an alliance in order to posttion themselves for the war to come. As the anti-fascist war of words took shape, the two secret services used that struggle to supply each other with disinformation against each other's domestic enemies. Thus, Stalin used the Gestapo to destroy Tuchachevsky and the Red Army general staff, and Hitler used the Comintern and the Mun-

zenberg operation to destroy Ernst

Rohm and the Stormtroopers Koch's overall purpose is to assert that the variety of left-inclined peo-Soviet Union during the interwar years were either controlled or infinenced by Willi Munzenberg and that Munzenberg was directly controlled by Moscow. This indicts a large slice of the west's intellectuals as traitors in fact or spirit, and provides a defence of the Macar-thyism which followed later. There is of course no question that those who failed to see Stalinism's evil (better concealed, at the time, than Hitlerism's evil) were profoundly deluded. But without question, at least many on the left in the 1930s were there from conviction and not because of the supposed Svengalilike skills of Munzenberg. As with the Stalin-Hitler conspiracy thesis. Koch's claim overtaxes credence.

In Koch's world, as in old-style cowboy films, the bad guys wear black hats and the good guys wear white hats. The white hats were as busy propagandising, and securing agents of influence, and encouraging intellectuals to dissent, as were the black hats. The fact that the white hats have happily won should suggest to Koch that the time is ripe for a more detached evaluation of the great ideological battle of the 20th century. But it is as if Koch were still fighting that battle in its 1930s shape.

rofessor Colin Jones pre faces his Cambridge History of France thus: "My aim has been to provide an accessible account that is more than a chronicle of the political history of the social and governmental elite; that gives economic, social and cultural history their due: that respects the regional as well as the national framework; and that gives full weight to questions of gender.

A general history on these lines is a daunting prospect, for author as well as reader, not least with the perspectives opened up by Professor Jones's citing of gender, class and race. (These are passwords for the political correctness gang in their

ndré Gide said that

"The last word in

atrocity, cynicism and horror" Times change. These days,

Hammett is the epitome of

comments are regularly

thrown at James Ellroy, the

demon dog of crime fiction.

known for his nightmarish

Angeles. Like Hammett's

a particular era of political

the crimes of the Kennedy

ubiquitous detective as the

years, dispenses with the

eve-of-depression novel.

greed and corruption.

journeys into the sleaze-ridden,

violent world of post-war Los

American Tabloid investigates

However, Ellroy, writing about

Dashiell Hammett's 1929 Red Harvest was:

class and race."

### France in a nutshell

revisions of the past. What do such pundits make of the Chevalier d'Eon, that transvestite tease, improbably pictured here in

only imitators - and have effec-

tively done so ever since. Style tri-

umphed over substance.

Masonic drag?)
It is to Professor Jones's credit that he achieves what he has set out to do with such clarity and distinction. Here is, indeed, a popular (and admirably, copiously illustrated) history of France, from the Lascaux cave paintings to the Channel Tunnel, which is both scholarly

Crimes of the

Kennedy years

THE CAMBRIDGE ILLUSTRATED HISTORY OF FRANCE by Colin Jones Cambridge University Press £22.95. 352 pages

must be an exercise in omission and elision. What Professor Jones does, and with flair, is to bring together the varied matters of political. social and economic life in a period Any study on so large a scale and provide a cogent summary of

their implications. So, writing about the absolutism of Richelieu and Louis XIV, he makes a succinct analysis of the administrative and military considerations which it obtained, and also relates it to social and family morals. His treat-ment in a single chapter of the Mid-dle Ages is a bold panorama which takes in economic growth and the shaping of the French language, enlivened by such comment as "many towns started life as the poodle of the local feudal lord".

There are moments when one

lackeys of the monarchy" smacks of Maoist diatribe – but the narrative is quick-footed, with inset commentaries on certain pages which focus upon significant figures or avents, from Blanche de Castile and The Black Death to "the Haussmanisa-tion of Paris" and the "politics of cultural grandeur" with the Arche

illustrated, with a preponderance of colour images, and notably well

Fiction/Carlo Gébler

### High art, sex and murder

trilogy. With JFK the "mythological front man in a particularly juicy slice of history," the novel begins on November 22, 1958, as Howard Hughes, ensconced in his hotel room, injects codeine while watching Castro's bearded army on TV. The novel ends five years and a lifetime later, as JFK motorcades towards Dealey Piaza. In between, Ellroy reconstructs events, using the embellishments of fiction to flush ont fact and rumour. Yet American Tabloid

investigator who pushes the narrative to a secure conclusion and replaces the scandalously public; five months before the date of the customary first-person crime opening chapter, Ellroy's own format with a shifting perspective and high-octane Exploring "the private world

her body dumped 15 miles from Hughes's hotel Ellroy clearly considers that of public policy," American Tabloid is the initial volume in history is motivated by the author's Underworld USA testosterone, psychosis, and

AMERICAN TABLOID by James Eilroy Century £15.99, 585 pages

the desire for wealth and power. American Tabloid follows the demise of Camelot through internecine relationships involving Hughes, Hoffa, Jack Ruby, J. Edgar Hoover, and crime bosses Giancana and Marcello. With heroin, sex and extortion the prime bargaining chips, at stake are the Teamsters' is as obsessively private as It is pension fund, control of Cuban casinos and evidence implicating Joseph Kennedy. mother was brutally murdered. The CIA, Mob and extreme right unite to create an 'assassination metaphysic"

and numerous plots to kill the

president. Ellroy (leaving

Oswald for his next volume)

Boyd, who pimps for the president while organising Cuban exiles for the CIA; and lawyer and ex-FBI agent Ward Littell, who summarises their conspiracy - "we'll present them with an explanation, and the powers that be will prefer it to the truth, even though they know better."

deploys three corrupt fictional

players: ex-cop, drug-procurer and extortionist Pete

Bondurant, FBI agent Kemper

engulf them. They can only watch what their betrayals, manipulations and mistakes have set in motion. Ellroy avoids the cultural genuflections and intellectual excesses that marred Stone's JFK and DeLillo's Libra, Here everyone is guilty, and the narrative web is all-consuming. When it comes to style and investigatory procedure, Ellroy might be the most innovative crime writer since Hammett.

tabloid hack and historian.

Ellroy's characters are

Athena continues the nar-rative started with The Book of Evidence and continued with Chosts. The narrator - as before - is Morrow, art lover, art histo-With a thin line separating rian, art connoisseur and secondary to the events that

sometime murderer. Now living under a new name in shabby gentility in a city which bears some resemblance to Dublin, he is engaged by the shady businessman Morden to authenticate the provenance on a cache of pictures which may have been stolen from Whitewater House, homa to the Behrens collection. This of course was the scene of Morrow's crime in The Book of Evidence (when he went by the name of Montgomery); it was during a bungled attempt to

ohn Banville's new novel maid to death as described in There is obviously a reason

in the mind of Morrow's employer for embroiling him with paintings which are con-nected to the darkest part of his life. But what is it? The mystery - which has a Simenonesque simplicity and strength - provides the motor to this extraordinary book. It keeps us reading, it keeps us turning the pages; we have to know what Morrow's new employer is up to.

Having hooked us, Banville is then free to concentrate on what really interests him which is Morrow's descriptioncum-confession of his painful and excruciating love affair with A., a young woman who lives in the bouse where the Woody Haut steal a painting from this same house that he bludgeoned the tionist and a masochist who

ATHENA by John Banville Secker & Warburg £15.99. 233 pages

likes to be blindfolded and

A.'s sexual predilections simultaneously appal and fascinate Morrow - after all he is a woman-murderer, a sort of ersatz Bluebeard. But he is also smitten by her. A. is the first woman in a very long time (or possibly even ever) to bring grace and love into Mor-row's hitherto loveless life.

Banville uses sexual activity in Athena as a way of understanding and explaining char-acter and he is never in any sense titillating, by the novel's tastes are rooted in her autobi-

ography. Simenon was similarily adept when it came to using sex as a key to unlocking char-But the Belgian writer was

manggil.

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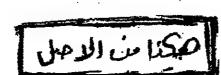
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noted for a terseness which was almost telegraphic; Banville, in contrast, is word-rich; page after page after page, he describes the physical world as seen by Morrow with hreathtaking, heart stopping fluency.

Athena in this respect is very much a work of high art; however, because the mystery surrounding Morrow's employer is never lost sight of, Athena also provides those pleasures which associate with popular fiction. It is hard to serve two masters, but Banville has managed the task magnificently. the result is a tour-de-force, a novel which holds onto its art end we understand how A's while managing to be enor-



aggots! Dykes! Queerlov ers! The words shriek out of *Harvey Milk*, the world's first overtly gay opera, which has just been premiered amid huge fanfare in Houston. The lyric theatre, a longacknowledged haven for homosexu-als, has finally found a vehicle with which to "come out" and confront the issue central to their cause: can gays and lesbians be open about their sexuality and be accepted on all levels of society? Harvey Milk could only happen in the US – the country which gave birth to gay lib-eration, the culture which spawned Robert Mapplethorpe's photos of nude men and Tony Kushner's gay epic Angels in America.

Milk was the first openly gay elected official in the US. A Jewish New Yorker and lifelong opera lover, he spent his early career as a Wall Street research analyst. At the age of 39 - after witnessing the 1969 Stonewall uprising, in which gays faced off the police in Greenwich Village - Milk "came out" and moved to the gay mecca of San Francisco. He became active in local politics won a seat on the city council and pushed through a gay rights hill. Less than a year later, in November 1978, he was shot dead by a conservative councillor, Dan White, who received a light prison sentence and later committed suicide

Stewart Wallace and Michael Korie, the young American co-authors of the new opera, have turned Milk's life-story into a tale of martyrdom, a battle-bynn of gay pride, an entertaining piece of agit-prop thea-tre. It was conceived on the liberal tide which swept Bill Clinton to the presidency - before Clinton reneged on his commitment to gays in the military, before the National Endowment for the Arts (NEA) came under serious threat from the Republican majority on Capitol Hill. With its activist slogans and allusions to homosexual love-making, Harvey Milk is just the kind of work the Christian Right and other conservative groups like to demonise.

So it took courage - or chutzpah - on the part of David Gockley, general director of the NEA-funded Houston Grand Opera, to stage Harvey Milk in conservative Texas, one of whose senators is a leading anti-NEA campaigner. Gockley - cham-pion of a long line of new operas, including Adams's Nixon in China and Tippett's New Year - prepared the ground thoroughly. There were talks, documentary films and other forms of outreach, so that those inclined to pre-judge the work on

moral grounds could stay away. The production itself, staged by Christopher Alden and sung by a first-rate cast, had pace and style. It will also be shown in San Francisco and New York (and there will be a different staging in the German city of Dortmund), where the host theatres are unlikely to receive the volume of protest-letters Gockley had in

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Thanks partly to the pre-publicity, Horvey Milk has already made a big splash, matching the American mood for instant "media-isation" of contemporary issues. It is dynamic,



Robert Orth and Bradley Williams as Harvey Milk and Scott Smith. It must have taken courage - or chutzpah - to stage the work in conservative Texas

# pera comes out of the closet

Harvey Milk's life-story has been turned into an entertaining piece of agit-prop theatre, writes Andrew Clark

polystylistic, sentimental, groovy, political and fun - a compendium of postwar American culture. The coauthors (music by Wallace, libretto by Korie) have a good story, and they package it well. This is non-elitist musical theatre, with the value stamped clearly on the surface.

Two documentary tape-recordings give the evening an eerie, real-life feel: at the start we hear Dianne Feinstein's public announcement of the double-murder of Milk and the San Francisco mayor, George Mos-cone; at the end, Milk himself reads fragments of his political testament, recorded days before his assassination. The intervening three acts mix fact and fiction, tracing Milk's closet years in New York, his political activism in San Francisco's gay heartland and his progress at City Hall

The opening scenes cleverly evoke the teenage Milk's curiosity about "the men who are different" - men with no wives, who congregate at the Met, talk about "Tessa Tura" and disappear into the shadows of cop-infested Central Park. We then jump to Milk the off-duty stockbrowho surrounds himself with campy lovers and links Jews and homosexuals as fellow victims of bate: "I stand up for myself as a Jew. Thereafter the libretto becomes a litany of gay battle-cries and riotous one-liners - as when a Castro Street hooker, seeing all her potential male customers pair off with one another, complains that "this used to be a nice, normal neighbourhood".

That summarises the problem with Harvey Milk: the authors are so full of their message that they barely

scratch the surface of their bero's complex personality. And by trying at all costs not to turn Dan White into a cartoon bogeyman, they make him far more buman than the rest. With the exception of Milk's lover (Scott) and campaign manager (Anne), Milk's political and social associates end up as caricatures. The only villains are the faceless, queerpolice.

But the message gets across, and the music does its bit. What the score lacks in depth and originality, it makes up in punch and accessibility. We bear echoes of Puccini at the Met, of Barber in Milk's Act 1 aria "My forefathers", of Copland in Dan White's solos, of Broadway, Bernstein, Stravinsky and minimalism, There are funky brass ostinati, dreamy neo-Romantic soliloquies, a jazzy chorus-line for the Stonewall

drag queens, and an infectious victory parade at the climax of Act 2, capturing the banal rbythmic pizzazz of American electioneering. But both Wallace and Korie run out of steam in the interminable closing

Alden's staging, with decor and costumes by Paul Steinberg and Gabriel Berry, combined smart comedy with subtle observation. The se - a symbolic pink triangle bordered by closet doors - provided a flexible foundation for bright, representa-tional stage pictures. A Callas portrait wafted overhead in the scenes at the Met. A strip of road, with Milk and White on either side of the centre-line, illustrated their parallel paths to power. And the tableaux of the final act - the pragmatic wheeler-dealing at City Hall, the tense

build-up to Milk's assassination -

were vividly characterised. The American baritone Robert

Orth gave a powerful performance as Milk, capturing the respectable professional, amorous hipple and street-wise politician, without lapsing into a gay stereotype. Raymond Very, as the troubled Dan White, sang with radiant purity. Another tenor, Bradley Williams, was the gently supportive Scott, Gidon Sak contributed a brilliant vignette as Moscone, while Jill Grove made much of Anne's touching Act 3 lament. Most of the singers appeared in more than one part - including Randall Wong, who had two male soprano roles written for him. The Houston Symphony Orchestra under Ward Holmquist brought to life the diverse idioms in the score, without preventing it from sounding awfully derivative.

### Purcell in Texas

et us not delude our the Purcell tercente nary is a purely Brit-isb affair. Paris this month stages King Arthur. Vienna has heard The Fairy Queen. New York has just had a much-talked-about recital in which songs by Purcell were juxta-posed with the modernist music of Charles Wnorinen. And Texas is in thrall to Dido and Aeneas. The Dido produc-tion is another feather in the cap of Houston Grand Opera, and will doubtless raise a few eyebrows when it comes to the London Proms and Versailles

later this year. The cast is largely North American, and the staging is by Opera Atelier, a Torootobased group specialising in the baroque and early classical repertoire. The only European input comes from Marc Minkowski and his French period instrument ensemble. Les

Musiciens du Louvre. Unfortunately, period specialists are no guarantee of authenticity - especially in Dido. The earliest score dates from nearly a century after the first Chelsea performance. and the scenic effects envisaged by Purcell remain a matter of conjecture, Minkowski follows William Christie's example in offering a more exotic sound than is customary in the UK. He adds recorders, chitarrones, tambourine and over-prominent timpani. His only excess is to embellish one of the Act 2 dances with onstage castanets and handbell. Otherwise, rbythms are crisply articulated; phrasing is expressive but not indulgently so. Minkowski does not rush his tempi.

But the music's noble sim-plicity is drowned by the stag-

ing. Opera Atelier's directors. the producer Marshall Pynkoski and choreographer Jeannette Zingg, claim to work "in an historically informed manner, based on the gestural/oratorical technique of the The result is a tial boyant divertissement, turn ing Purcell's concise tragedy into a drag show.

There is nothing wrong with William Schmuck's set - a semi-circle of free-standing columns against a backdrop of luminous colour. Problems start with Dora Rust-D'Eye's fake 17th century costumes: Acness has to contend with a puffy frock-coat and wig, the male Sorceress sports a flamecoloured ball-gown with low cleavage, and the Sailor wears a fully-rigged ship's model on his bead. But the real stickingpoint is the choreography. The dances are over-produced, the gestures irritatingly mannered. As a result of this flummery, the title roles are reduced to hit-parts.

Linda Maguire and Brett Polegato sang cleanly, but without the requisite vocal and dramatic presence. Jacques Françols Loiselenr des Longchamps was an impresaive Sorceress, with the demonic power of a Don Giovanni. Shari Saunders was the prim Belinda. All handled their florid recitatives cleanly, if a little too correctly. The Honston chorns - seated beside the pit in the Wortham Center's Cullen Theater -

sounded well-drilled. It was an insplred idea to precede Dido with Jeremiah Clarke's Ode on the Death of Henry Purcell. This was compensation for Purcell's missing prologue, and filled out the

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I thank you kindly

evening to two hours.

A.C.

# Playing for a full house

Patrick Marber has dealt a good hand with his accomplished first play, says Alastair Macaulay for it, and Frankia gives it to him.

tive. Defensive. Denier's Choice -Tan exceptionally accomplished first play by the actor-comedian Patrick Marber - is all about poker, and all about the endlessly tense and often desperate power games men need to play against one another. Though I know nothing about poker, I testify to the compulsive grip this play exerts and to the accumulation of meanings it ignites in your head it is finely directed by Marber himself, and finely acted.

It has six characters. At the bottom of the pile is Mugsy (played by Nigel Lindsay), so called because he is, of course, a mug. He is the most lovable person We see because he is the most vulnerable. He is bend waiter at Stephen's restaurant. The other characters are Stephen (Nicholas Day), his son Carl (David Bark Jones), Sweeney the chef (Ray Winstone), Frankie, another waiter (Phil Daniels) and Ash (Tom George-

irless. All-male. Witty. Competi-son) - a stranger in their midst who gambles professionally and to whom Carl owes some 24,000. All of them are not only more shrewd than Mugsy, they are more guarded. Yet each is vulnerable in some way

and each can be the victim of someone else. Why is Asb, the professional player, playing so hard for money? So he will be able tonight to repay a gambling debt of £10,000, the last part of which be needs to gain at this very game. This other game, where you owe the money." Stephen asks him. "Are you the mug?" It is possible Ash maybe Carl too - will be shot if he fails

to pay up.

Deception is part of poker and part of its world. Sweeney knows he must not gamble his last £50, which he therefore gives to hard-headed Frankie for safekgives to mare-neatest frames for safek-eeping, telling him not to return it while they are playing. But as soon as the gambling takes off he asks Frankie

We gradually see that fear and despair stalk the mind of every character. How is it that Ash, bowever, can tell when Frankie is bluffing? "Do you really want to know?" Ash eventually replies. "When you bluff, you look scared." This revelation hits home so

Only Stephen himself is so guarded that he never loses. Which is not to say he always wins. We know he clings to the male world of poker, obsessively recording every game on his computer afterwards, because be in turn was shattered by divorce. Misogyny constantly creeps through this elegant, urbane, affable man's most casual remarks

hard that Frankle is shattered.

Carl is beautiful, charming, hut utterly hopeless. Yet Stephen insists Carl plays poker bere every week, insists he stays in this male power

Every praise goes to the cast, in which Lindsay's Mugsy and Day's Stephen are outstanding, and to Marber's

taut direction. Though this play is a valuable contribution to male studies, it is also loaded with wit. Mugsy is a treasure trove of hilarious blunders: "Destrable people are moving to Bow in skip-loads," be announces. Stephen is master of more debonair bumour, even when making himself his own target: "Your father -the bastard - ie me . . ". Marber knows how to build his play's humour like a pyramid, so that the greatest peaks of laughter were prepared for long before. Astonishingly, he also knows how to peel away all the bumour and to end the play on the dark empty note toward which it has been progressing all along.

In repertory at the Cottesloe Theatre,

### A View from the Bridge

apv. it is Miller's Eddie Carbone. You can see him, sitting next to Othello at the male bonding session, with a therapist saying, "Get in touch with your feelings, Eddie. Why do you think you feel so strongly that your niece should stay home with you rather than marry this young Sicilian?" But of course Eddie has no therapist, and, even if he did, he would be unable and unwilling to face those feelings - and so we have A View From The Bridge, Miller's towering tragedy about a man whose unwise love brings destruction on him and those around him. Lack of self knowledge is the longshoreman's downfall, But the tragedy is also driven by forces larger than Eddia - a collision of cultures among them. By eliminating all but the main crescendo of the plot Miller seizes you in the headlong rush towards disaster, he also allows you to see these forces in action and so to arrive at a sympathy for a man

To this end the play calls for a production with only one foot in realism, which it gets in David Thacker's strong, lean, passionate revival. Shelagh Keegan's design responds to Miller's demands with an abstract set - a clinical stylised silhouette of the dockside tenements that recedes, tunnellike to echo the shape of the play. Aside from the Carbone living room in the foreground nothing solid exists; the move ment from indoors to outdoors is reflected only by a change of lighting. This suits the elemental nature of the play, but perhaps tips too far towards the abstract, since you have to work hard to conjure up the

you would otherwise condemn.

murky, restless neighbourhood in East Brooklyn bridge crammed with people and peppered with informers. The strong cast, bowever, works up the tension. Bernard

Hill's Eddie is not the great

bear of a man you might antic-

toughness, controlled and restrained - only in his fierce ter who could use thereyes can you see the torment that will eventually explode. The pathos in his performance lies in the fact that he gives Eddie dignity: in his controlled physicality you can see the struggle he has had to bring his niece up well. The sugges tion that his affection might have ripened into something unacceptable is genuinely shocking to him.

And while Hill shows us both sides of Eddie's character, Thacker's production brings out all the other ambiguities in the play. Emer McCourt as Catherine is sweet, but determined; while Joseph Fiennes who steals Catherine's heart, is just a bit too flash. There are excellent performances too from Charlotte Cornwell as Beatrice and Ivan Kave as the gentle giant Marco, whose moral clear-sightedness both grounds the play and capitulates the tragedy.

Seen very early in the run,

Rep and Pericles Productions was moving and strong, but felt rather as if it was still on the runway. When it takes off, it will come into its own.

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# Drawn to the erotic

William Packer defends and celebrates the work of Egon Schiele

gon Schiele was born at Tulin, a small town on the Danube near Vienna, in the summer of 1890, into a family of the petit-bourgeoisie - his father was the station-master. At 28, in the autumn of 1918, the artist died in the pan-epidemic of Spanish influenza that in a few short months proved more lethal than the Great War itself. His wife, pregnant with their first child, died a few days before him. Here again, so it would seem, we have the image of the artist as tragic vic-tim, shades of Modigliani and Van Gogh, unrecognised genius cut off

But the story is not quite that simple. Schiele certainly had his troubles, especially in his earlier years. His neighbours were scandalised by the apparent irregularity of his life and the overtly sexual nature of so much of his work. Indeed, he was once held in prison for several weeks, unjustly accused of corrupting the young girls wbom be drew so often. But his tragedy is all the more poignant, perhaps, for the fact that in contrast to Van Cogh, whom he matches almost exactly in the shortness of his career. or Modigliani, who was carried off in the same epidemic, in his last year he had begun to enjoy wide official recognition for his work.

He was subsequently all but forgot-ten, but for the loyal discrimination of a few collectors, and the general revival of his reputation is fairly recent history. And it must be said that much of that early controversy dogs his reputation still; the charge of grephic and explicit sexuality amounting almost to pornography is hard to shake off, at least in this country. Here, admiration is all very well, but it is still difficult to admit to any eothusiastic liking for Schiele without the odd eyebrow rising skywards. There is hardly anything of his in public hands. The Tate has nothing, though not by now, I imagine, for want of wanting. Four years ago the Royal Academy could find no British sponsor for a splendid show of Schiele and his contemporaries.

The charge must be addressed, for It is inescapable. Skirts raised, stockings rolled down, legs akimbo, hands caressing, figures entwined, the challenging stare of the model berself as ber sexual parts are so frankly exposed - all is readily and understandahly shocking. But pornographic? The answer has to be no, and a resounding no at that. For where there is no sentimentality and its con-comitant engagement of fantasy and

wishful thinking, there can be no por-nography. What is real may well be erotic, which is something else entirely, but never pornographic. It is the reality that Schiele confronts in his work, most especially in his drawings, that is at once so disarming and so shocking

His facility is breathtaking, the speed of the line, the dest turn and flick of the contour to describe the form and spring and life of the figure. And the colour is rich and decorative, the silhouette strong and clear, the design simple, a young girl's brightly striped skirt spread around her bare bottom like a sunburst. All betray the graphic influence of Gustav Klimt and the Vienna Secession of the 1900s, by which examples the young Schiele, no more than 18 and still a student, first came to his true expressionist identity as an artist. In thus coming to himself, he became in a moment ectirely his own man.

He had not been outstanding as a child and the rapidity of his development, so well demonstrated in a run of his student work, is astonishing. The case for proper early technical study could hardly be better made. The very first painting of all, a close portrait head of a young woman in black of 1907, is as lovely as anything

e are back to reality, to the observed reality of the figure, the model, the particular woman wbo presents herself just there, in front of the artist, in that self-same room and space. There she is to the life, for all his tricks and devices whereby the image becomes art - the rapid descriptive slip of the paint, the graphic exagger-etion of the image, the patterned, abstracted fall of dress or shirt. And there we stand as it were at his shoulder, as his hand flicks across the

page, and we marvel.
Leonard Gianadda and the curator of this show, Serge Sabarsky, have put together a remarkable exhibition of drawings and paintings from collections around the world, both private and public, to take us from Schiele the student of 1907 to the artist in his final months and at the height of his powers. It celebrates what now stands, a full lifetime later, as the achievement of one of the greatest artists of the century.

Egon Schiele: Fondation Pierre Gian-adda, Martigoy, Switzerland, until



Shocking and disamning but never pomographic; 'Seated Nude': a drawing of his wife by Egon Schiek

Television/Christopher Dunkley

### Animated opera for easy assimilation

in their own right.

Naturally enough they vary, audiences in an entertaining, easily-assimilated format". This fashion for making

which we are told these days -admittedly chiefly by the British - that British animation is may seem a little perverse to conclude that the two best prowhich were both made by Christmas Films of Moscow. Yet that is how it seems to

year sponsor

english touring

PARCLAYS OPERA

Rossini The Barber of Seville

Gluck | Orpheus & Eurydice

22, 24 February

performance"MANCHESTER EVE NEWS

SADLER'S WELLS

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21 - 25 February 1995

"The Opera event"

"An unforgettable

films. The first is directed by Natasha Dahizha and the second by Valeri Ugarov, hut both gain from a light touch. True, these are the two works closest sense of humour from which they benefit. They also seem

is more striking visually than

series originates with Channel 4 Wales and the music for all six cartoons is performed by these films, as in so many programmes, the sound is inferior

to the pictures.

The series has all sorts of pleasures to offer. In a suitably dark and sinister Rigoletto next week the puppet in the title role looks remarkably like Charies Laughton playing Qua-simodo. Rhinegold, which follows, hrings the Super Heroes of DC Comics to Wagner: Freia is a super curvaceous brunette in a black hikini. In Turandot the human figures are created in the style of American television cartoons, but the hackgrounds are straight out of Hokusai. The Magic Flute, which looks as though it could have been designed by Erté, is the best of the lot. Watching it you suddenly remember the

of this visual ingenuity in the other films. Ironically those able to get most from this series will be those already deeply familiar with the operas. Yet they will also be the most disappointed.

hysterical inventiveness of peo-

ple such as Tex Avery in Holly-

wood and John Halas in

Europe during the middle

years of this century - and you

wonder why there is not more

### Radio/Martin Hoyle Built to destruct

opening experience of escorting a party of Italian architects around Britain's new towns. Palladio's heirs were ecstatic at the beauty of Centre Point, that shameless white elephant of speculativism rearing over central London like a mockingly up-thrust finger. Brunelleschi's descendants were lost in admiration for the hold vision of old town centres bull-dozed to construct multi-sto-

rey carparks.
It also became plain that new projects look unrecognisably better in models or sketches than in grubby real-ity. None more so than the imaginative Byker Wall development in Newcastle; the con-trast between the improbably blue skies glamorising the prize-winning designs and lowering everyday greyness transformed the character of the enterprise on its journey from The implication was that

architects are no judges of reality. A further tip - Italians are likely to get things bopelessly wrong in a foreign context - has been borne out over the years by such names as Palumbo. I was re-alerted to the double menace by last Sunday's interview on Radio 4 with this year's Reith lecturer, the architect Richard Rogers. The interviewer Alan Yentob drooled in adulation of the contribution Anglo-Italian parentage and citizenship of Florence must make in some presumably mystic way to designing buildings for latitudes further north. "Your mother is still a woman of fantastic taste and judgment," he gurgled. Perhaps the venera-ble signora should take a hand with the building blocks.

Despite the programme's overriding philosophy that nobody is better qualified than the architect to use his imagination about urban problems, the modest and enthusiastic Rogers failed to correct our image of the profession as an authoritarian brotherhood with a vested interest in keeplng its mysteries intact the better to slap down ignorance, impertinence and heresy in the mob - who of course is not the best judge of what is best

ome years ago I had for it. The image of the med the culturally eye-eval church lingers.

principal

That said, Rogers is obvionsly a good egg. He invelghs against the right things - the car, out-of-town shopping centres, the fragmenting city and concomitant ghettoes. Possessed of a "passionate belief in the past and a dynamic belief in the future", he balances a fascination with technology by praise for the 1946

Green Belt concept as "stun-ning visionary thinking".

Given that 50 per cent of mankind lives in cities (at the beginning of the century it was one per cent), he is patently right to urge action against the planet-looting wastefulness of the ten-year life-cycle of the modern building. Better to spend 15 per cent more, he says, to make a building last a bundred years.

Who in Rogers' profession gives a damn about an old building? Rogers bimself praised the Georgians and Victorians as forward-looking, moving ahead, irrespective of the fact that they were recycling the past - Adam, Nash, Victorian Gothic/Venetian/châtean on the Loire. Anyone who tries that today is abused as a

From Warsaw to the relatively modest old town of Ronen the inbahitants have reconstructed their environment precisely as known. loved and communally identifiable, not as grade A monuments. Dare try that in this country. It is antomatically assumed that Britain has no cultural baby to throw ont with the kitscby bath-water. The sad thing is that this may

now be true.

This year's speaker will donhtless make the right noises in the Reith lectures that start tomorrow. He needs to, seeing what his profession has achieved in the destruction of Britain's urban environment in the last few years alone, culminating in London's distinction as Europe's ugliest capital.

Rogers complains bitterly that his native Florence has become a museum. So someone among the Italian authorities knows what they're doing.

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10 Table

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A Action

# iinerh



music and hi-fi will feel small British companies, we have a single-minded passion for quality.

hardly more than 100 pairs of loudspeakers a week. The result? Nothing short of

But don't take our word for it.

Flat out, we hand-produce



oming within days of the death of John Halas, moving spirit behind so much of **the innovation in British film** animation over the last 50 years, it was good to see Carmen opening a BBC2 season called Operavox last night. This is a series of six operas

- the others are The Magic Flute, Rigoletto, Rhinegold, The Barber Of Seville and Turandot animated in different styles hy different companies, but each slimmed down to 30 minutes. For lovers of animation it is, if not a feast, a fascinating smorgasbord. Lovers of opera may feel more uneasy, but then they are clearly not the target audience. These programmes are being shown at 7.30 and the stated intention is to "bring culture to family

things easy (Operavox could be seeo as the respectable end of the "dumbing down" process which is spreading throughout television) is, surely, questionable. Among the things we most enjoy are those at which we work hardest. One of the attractions of grand opera is the contribution brought by the onlooker: you have to put in some effort before you really begin to appreciate it. Cutting works such as Car-

men and Turandot to half an hour means that they sound rather like Your Hundred Best Tunes, and the plots of Rigoletto and Rhinegold are inevita-hly over simplified. However, just as television must be entitled to produce modern, edited, versions of Shakespeare (this opera series was preceded by Shakespeare, The Animated Tales) without being accused

1 Rf7 g3 2 Be4 Ka2 3 Bh7 Ka1 4 Bg8 Ka2 5 Rf1 mate.

with famous operas. We should consider these animated films

not least because of their dif-ferent styles and techniques, which include puppetry, cel animation and videographics. Given the frequency with now the best in the world, It ductions here are The Barber Of Seville and The Magic Flute

to comedy, but it is not only a more inventive. most up to date, using the sort of videographics which most viewers may have seen only in

Technically Carmen is the commercials such as those for P & O Ferries and the Post Office. "Electronic painting" is used over live action to lay down brilliant block colour while retaining film accuracy

by the cognoscenti of somehow me. Barber uses puppets and in such details as the faces. damaging the originals, so too Flute the familiar cel technique The outcome is a work which seen, for example, in Disney Like the Shakespeare, this

> the Weish National Opera. singing in English. I would have preferred original versions and sub-titles, but no doubt that would not be seen as "easily assimilated". More important, the sound system on 99 per cent of television sets is too cheap and primitive to give a proper idea of the high quality signal put out by the transmitters. Consequently in

QUEEN ELIZABETH HALL

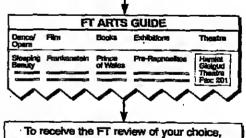
EBERHARD WEEKER David Newton (support)
One of jazz's great innovators, the virtuoso bass player is lone atmospheric soundscapes and beautiful melodic compositions.
Assen

E12.50, E0.50. E7.50
SIMPOTHA 21 formerly Docktunds Simfonietts. Narryn Brabit
Thomas Randle. John Casten Darling the Sidfi (1st London perf):
Lutestaward Paroles Tissées: Songs for Valentine's Day,
Seethoward Semsetal String Quentat in F. Op. 135. E9. E8
FAUST with Tony Conrad (support). The roaring noise inside
these of the certainy from the seminal German band who lad the
through the 70's. A very rare sociative UK appearance
E11 (conce E8) London Musicians Collective/Table of the Elem

# UK ARTS GUIDE FAX

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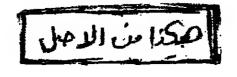


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#### What's on in the principal cities

#### **AMSTERDAM**

**GALLERIES** museum Tel: (020) 673 21 21

■ Art of Devotion 1300-1500: major winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 26 (Not Sun) ■ Marbled, Chintz and Brocade Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12 Stedelijk Tel: (020) 5732 911 ■ Alfa Romeo: The Essence of Beauty: exhibition marking the development and design of Alfa. Romeo cars from the early part of this century to the most recent models; to

OPERA/BALLET Het Muziektheater Tel: (020) 551 89

Mazeppa: by Tchaikovsky. A Netherlands Opera production conducted by Harmut Haenchen and directed by Richard Jones.; 7.30 pm; Feb 11, 12 (1.30 pm), 14

#### **M BERLIN**

**GALLERIES** Neue Nationalgalerie Tel: (030)

■ George Grosz, Berlin-New York: exhibition of the German Dadist who emigrated to the US; to Apr 17

OPERA/BALLET Deutsche Oper Tel: (030) 3 41 92 49 ■ Das Rheingold: by Wagner.
Conductor Horst Stein, production by Götz Friedrich; 7.30 pm; Feb 18 Ein Maskenball: by Verdi. Conducted by Rafael Frühbeck de Burgos/Sebastian Lang-Lessing, produced by Götz Friedrich; 7.30 pm;

Faust: by Gounod, Conducted by Lawrence Foster/Heinrich Hollreiser/ Jiri Kout, production by Jean-Pierre Ponnelle; 7 pm; Feb 15, 17 L'Italiana in Algeri: by Rossini. Conducted by Ion Marin/Carlo Rizzi,

produced by Jérôme Savary; 7 pm; Feb 11 Staatsoper Unter den Linden Tel: (030) 2 00 4762

Elektra: by Strauss, Conducted by Daniel Barenboim; 7.30 pm; Feb 14 Fidelia: by Beethoven, Conducted by Daniel Barenbolm; 7.30 pm; Feb

#### E BOLOGNA OPERA/BALLET

Teatro Comunale Tel: (051) 529999 Macheth: opera in four parts by the Deutsche Oper Berlin. Music of Verdi; 8.30 pm; Feb 12 (3.30 pm) , 14

#### BRUSSELS OPERA/BALLET

De Munt/La Monnaie Tel: (02) 218 22 11

■ Il Trittico: by Puccini. A new production directed by Stein Winge, conducted by Antonio Pappano; 7 pm; Feb 11, 14, 16

#### **■ COLOGNE**

CONCERTS Waltraf-Richartz Tel: (221) 221 2379 Maurice Denis: exhibition of works by the French painter associated with the Nabis group; to Apr 2

OPERA/BALLET Oper der Stadt Tel: (221) 221 8400 ■ The Turn of the Screw: music by Britten. Conducted by Steuart Bedford, produced by Michael Hampe. In English with German surtitles; 7.30 pm; Feb 11

#### FRANKFURT

CONCERTS Alte Oper Tel: (069) 1340 400 Evening of Songs: soprano Dawn Upshaw and pianist Charles Spencer plays Debussy, Copland, Seeger and Berg; 8 pm; Feb 13 Frankfurt Opera House and

Museum Orchestra: with pianist sabeth Leonskala and conductor Wladimir Fedossejew plays Dvořák, Britten and Tchaikovsky; 8 pm; Feb 12 (11pm), 13

GALLERIES Museum für Moderne Kunst Tel: (069) 212 304 47

■ Harald Pompl/Michael Reiter: experimentation with modern new materials; to Feb 24 (Not Sun) Schim Kunsthalle Tel: (069) 29 98 82

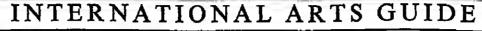
Asger Jorn – Retrospective: 167 works by the Danish painter. The fifth chapter in a series of presentations of postwar European artists; to Feb 12

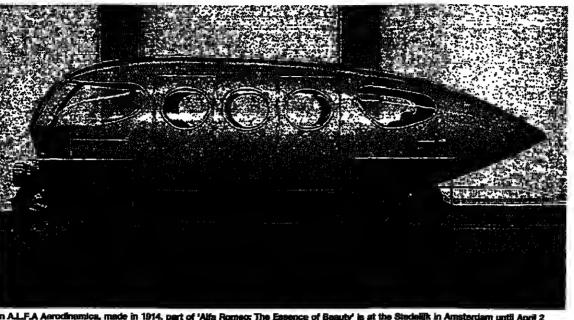
OPERA/BALLET Oper Frankfurt Tel: (069) 23 60 61 As a Garden in this Setting: choreographed by William Forsytha, music by Thom Willems; 8 pm; Feb

■ Oberon: by Weber, First showing at this venue with conductor Hans Zender and lead role played by Hubert Delamboye; 7.30 pm; Feb 15

#### E LONDON

CONCERTS Berbican Tel: (0171) 638 8891 ■ Tippett: Visions of Paradise: Eigar Howarth conducts the London Sinfonietta to play Tippett; 7.30 pm;





An A.L.F.A Aerodinemics, made in 1914, part of 'Alfa Romeo: The Essence of Beauty' is at the Stedelijk in Amsterdam until April 2

Feb 15, 17 ■ Barbican Celebrity Recital Series: with soprano Felicity Lott, mezzo-soorano Ann Murray and planist Graham Johnson; 7.30 pm;

■ Tippett: Visions of Paradise: Sir Colin Davis conducts the London Symphony Orchestra to play Tippett's, 'Triple Concerto' and Elgar, 7.30 pm; Feb 12

■ Valentine'a Day Love Classics: Paul Wynne Griffiths conducts the London Concert Orchestra for an evening of great romantic classics; 7.30 pm; Feb 14 Festival Hall Tel: (0171) 928 8800 ■ Igor Oistrakh Plays Mendelssohn

and Tchaikovsky: Simon Phipps conducts the English Chamber Orchestra and violinist Igor Olstrakh; 7.30 pm; Feb 11 ■ Valentine's Day Concert: Philharmonia Orchestra and pianist Anya Alexeyev, Anthony Inglis

conducts Tchaikovsky, Rachmaninov and Rimsky-Korsakov; 7.30 pm; Feb Purcell Room Tel: (0171) 928 8800 A Tribute to Fats Waller: a Valentine's day musical celebration;

7.30 pm; Feb 14 Klezmer Swingers: a musical journey from Odessa to New York, from traditional Klezmer to Jazz; 7.30

pm; Feb 16 ■ Viva Vivaldi: London Soloists Chamber Orchestra with violinist Peter Sheppard and oboist Helena Gaunt. David Josefowltz conducts a programme of eight famous concerti grossi for solo violin and oboe; 7.30 pm; Feb 12 Royal Academy Tel: (0171) 439 7438

■ Philharmonia Orchestra: Kurt Shostakovich; 7.30 pm; Feb 12

GALLERIES Barbican Tel: (0171) 638 8891 Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. Over 200 works by over 100 artists including Degas, Rothenstein and Whistler, to May 7 British Museum Tel: (0171) 636 1555 ■ Byzantium: treasures of Byzantine art and culture from British collections; to Apr 23 (Not Sun) Hayward Tel: (0171) 261 0127 ■ Yves Klein: over 110 works conveying the full range of his output from paintings and sculpture to installations events architectural schemes to stage and film scenarios; to Apr 23 um of Installation Tel: (0171)

253 0802 ■ Demot O'Brien: wonderful installation that attacks the senses Air fresheners of various colours and scents are arranged on a wall to create sentences in braille; to Feb 11 National Portrait Tel: (0171) 306

■ Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12 Photographers Gallery Tel: (0171) Photography from the Former

Soviet Union: exhibition in both galleries of past and present Soviet photographers, including the work of Alexander Rodchenko; to Mar 18 Royal Academy Tel: (0171) 439 7438 Poussin: over 90 works by the French artist. Centerpiece of the exhibition are the two series of the 'Seven Sacraments'; to Apr 9 ntine Tel: (0171) 402 0343 ■ Man Ray: exhibition of works by the celebrated artist, to Mar 12 Tate Tel: (0171) 887 8000 ■ Willem de Kooning: a major exhibition featuring over seventy paintings drawn from private and public collections worldwide; from Feb 16 to May 7 Victoria and Albert Tel: (0171) 938

8500 Warworks: women photography and the art of war. A perspective of war through the eyes of international women artists; to Mar 19

OPERA/BALLET English National Opera Tel: (0171) 632 8300

King Priam: a new production of Tippet's opera that opens the London festival - Tippett: Visions of Paradise. to celebrate the composer's 90th birthday; 7.30 pm; Feb 11, 17 Madama Butterfly: Puccinl's opera, originally directed by Graham Vicic 7.30 pm; Feb 16

Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30 pm; Feb 13, 15 Royal Opera House Tel: (0171) 340

Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists Include Felicity Lott/Anna Tornowa-Sintow as Prinzess von Werdenberg; 6.30 pm: Feb 11, 15 ■ Giselle: music by Adolphe Adam.

choreographed by Marius Petipa after

A Royal Bailet production

Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30 pm; ■ La Bohéme: by Puccini.

Conducted by Simone Young/Paul Wynne Griffiths, directed by John Copley. Soloists include Angela Gheorghiu/Amanda Thane es Mirni and Maria McLaughlin/Judith Howarth as Musetta; 7.30 pm; Feb 18 ■ The Prince of the Pagodas: by Britten. A Royal Ballet production choreographed by Kenneth MacMillan opens a Benjamin Britten 'mini stival at the Royal Opera; 7.30 pm;

THEATRE Albery Tel: (0171) 876 1115 As You Like It by Shakespeare. Decian Donnellan directs an all male cast that includes Adrian Lester and

Richard Cant; 7,30 pm; (Not Sun) National, Cottesioe Tel: (0171) 928 ■ Dealer's Choice: written and directed by Patrick Marber, six men stay up late to play poker, and win at

all costs; 7.30 pm; Feb 11 (2.30 pm), National, Lyttelton Tel: (0171) 928

Broken Glass: a new play by Arthur Miller, directed by David Thacker; 7,30 pm; Feb 13, 14 (2.15pm)

Out of a House Walked a Man: by Danlil Kharms, A Royal National Theatre and Theatre de Complicite co-production of a collection of musical scenes by the Russian absurdist writer; 7.30 pm; Feb 15, 18,

The Children's Hour by Lillian Hellman, directed by Howard Davies; 7.30 pm; Feb 11 (2.15pm) National, Offvier Tel: (0171

■ The Merry Wives of Windson by Shakespeare, Terry Hands directs his first production at the National. With Denis Quilley as Falstaff, Brenda Bruce as Mistress Quickly and Geraldine Fitzgerald as Mistress Ford; 7.15 pm; Feb 16, 17 ■ The Wind In the Willows: Edward Kemp'a recreation of Nicholas Hytner's original production by Alan

Bennett, adapted from the novel by Kenneth Grahame; 7.15 pm; Feb 11 (2pm), 13, 14, 15 (2pm) Royal Court Tel: (0171) 730 1745/ ■ The Libertine: by Stephen Jeffreys, directed by Max Stafford-Clark.

Cornedy based on the works of tha 2nd Earl of Rochester, 7.30pm; to Shaftesbury Theatre Tel: (0171) 379 5399

■ Tha Three Lives of Lucie Cabrol: adapted from John Berger by Mark Wheatley and Simon McBurney, who also directs. Theatre de Complicite present this violent love story: 7.30pm; to Feb 25 (Not Sun)

#### LOS ANGELES

CONCERTS Dorothy Chandler Pavillon

Tetzlaff plays Beethoven:
Esa-Pekka Salonen conducts The Los Angeles Philharmonic with violinist Christian Tetzlaff to play Beethoven, Schoenberg and Sibelius: 8pm: Feb

#### **MADRID GALLERIES**

Fundación Juan March Tel: (91) 435 48 40/435 42 40 ■ Klimt-Kokoschka-Schiele exhibition of 35 works by the three Viennese artists; to May 21 Mercado Puerta de Toledo Tel: (91)

366 7200 ■ The Golden Age of Dolls: exhibition marking the 'Golden Age' of toy making (1840-1940), and its social impact. Over 800 exhibits; to Feb 24

Reina Sofia Tel: (91) 468 30 02 Salvador Dali: the early years; to Jun 18

#### **MUNICH** GALLERIES

Haus der Kunst

 Deutsche Romantic: previously on show in London, this exhibition has created much discussion in Germany. It examines the work of early Germa Romantic painters and their cultural and political impact on successive generations of German artists; to May 1

Kunsthalle der Hypo-Kulturstiftung ■ Paris-Belle Epoque: An evocation of the period from 1880 to 1910, with paintings, drawings, posters photographs, glass and furniture; to Villa Stuck Tel: (089) 45 55 51 0

■ African Seating: exhibition of traditional African arts, mostly from the early part of this century, that concentrates on seating, from simple every day designs to omate wooden thrones: to Apr 23

OPERA/BALLET Bayerische Staatsoper Tel: (089) 22

13 18 ■ Don Pasquale: by Donizetti. Conducted by Roberto Abbado. In Italian: 7pm; Feb 12

■ Il Trovatore: by Verdi. Conducted by Miguel Gomez Martinez, produced by Luca Ronconi. In Italian; 7pm; Feb Onegin: music by Tchaikovsky.

Choreographed by John Cranko, conducted by André Presser, A Bayerische Staatsballett production; 7.30pm; Feb 13, 15, 17 ■ The Marriage of Figero; by Mozert. Conducted by Jun Markl, produced by Günter Rennert. In Italian; 7pm;

#### NEW YORK

GALLERIES

Guggenheim Tel: (212) 423 3652 Ross Bleckner: mid-career retrospectiva of the American artist consisting of approximately 75 paintings and works on paper; from Feb 17 to May 14 Guggenheim Soho Tel: (212) 423

Antoni Taples: fifty five of the leading Spanish artist's most important works dating from 1946 to 1991; to Apr 23

Metropolitan ■ Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 26 (Not Mon)

■ Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of holdings explores the museums continuing interest in Eakins; to Feb

Museum of Modern Art Tel: (212) Kandinsky: Compositions:

exhibition featuring approximately forty works including seven of the surviving 'Composition' paintings; to Apr 25 Whitney Museum Franz Kline: Black and White

1950-61: major Abstract Expressionist works from the last decade of tha artist's life: to Mar 12

OPERA/BALLET Metropolitan Tel: (212) 362 6000 ■ Cavalleria Rusticana/Pagliacci: by Mascagni/Leoncavalio. Production by Franco Zefirelli, conductor Christian Badea; 8pm; Feb 16

Barbiere di Siviglia: by Rossini.

Produced by John Cox, conducted by David Atherton; 8pm; Feb 11, 14 ■ La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiore; 8pm; Feb 13, 17 ■ Turandot: by Puccini. Produced by Franco Zeffirelli, conducted by Nello

THEATRE Circle in the Square Tel: (212) 239 ควกก

Santi; 8 pm; Feb 11 (1.30pm), 15

■ Uncle Vanva: by Chekhov, Cast Includes Tom Courtenay, Amanda Donohoe and James Fox: 8pm:

Jean Cocteau Repertory Tel: (212) ■ The Cherry Orchard: by Chekhov. A new production directed by Eve Adamson; 8pm; to Mar 3 Joseph Papp Public Theatre Tel: (212) 598 7150

■ The Merchant of Venice: by Shakespeare. Directed by Barry Edelstein, and with Ron Leibman playing Shylock; 8pm; (Not Mon) Performing Garage Tel: (212) 988 ■ The Hairy Ape: by Eugene O'Neill.

A presentation by the Wooster Group with Willem Dafoe and Kate Valk; 8pm; to Feb 19 Perry Street Tel: (212) 307 4100 Dylan Thomas: Return Journey and The Truman Capote Talk Show Two one man shows written by and starring Bob Kingdom, Direction by Anthony Hopkins and Kevin Knight; to Feb 11

Roundabout Theatre Company Tel: (212) 869 8400 ■ The School for Husbands/Ths Imaginary Cuckold: by Molière. Michael Langham directs Richard Wilbur's translation and stars Brian Bedford; 8pm; to Mar 12 (Not Mon)

#### PARIS CONCERTS

Champs Elysées Tel: (1) 47 23 37 21/47 20 08 24 ■ Alban Berg Quartet: plays Haydn, Webern and Beethoven; 8.30pm; Feb

Orchestra of the Champs Elysées: with soprano Soile Isokoski, alto Birgit Remmert and tenor James Taylor plays Beethoven under the direction of Phillipe Herreweghe; 8.30pm; Feb. Opéra National de Paris, Bastille

musiciane from the Orchestra of the Paris National Opera play Brahms; 8pm; Feb 13 **GALLERIES** Galerie Schmit Tel: (1) 42 60 36 36

■ Chamber Music – Brahms:

From Delacroix to Matiss

Tel: (1) 47 42 57 50

exhibition including the works of Delacrolx, Matisse, Plcasso and Degas; from Feb 14 to Apr 13 Georges-Pompidou Tel: (1) 42 77 12

■ Kurt Schwitters: exhibition of works by the German Dadaist; to Feb ■ The African Collection of Magnelli:

African sculptures and masques collected by Susi Magnelli; to Mar 20 Musée Cernuschi Tel: (1) 45 63 50 Japan, Tastes and Tranquility: The Japanese Tea Ceremony: the historical and philosophical

development of the Japanes ceremony, from Feb 14 to May 14 (Not Sun) Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 81 27 ■ André Derain: 350 works spanning

his entire career; to Mar 19 (Not Mon) Musée d'Orsay Tel: (1) 45 49 11 11
■ James McNeill Whistler: exhibition of works: to Apr 30

OPERA/RALLET Châtelet Tel: (1) 40 28 28 40 King Arthur, music by Purcell, A William Christia and Graham Vick production; to Feb 19 Opéra Comique Tel: (1) 42 96 12 20 ■ Lakrné: by Delibes. Conducted by Frédéric Chaslin and produced by Gilbert Blin; 7.30 pm; to Feb 18 Opéra National de Paris, Bastille Tel: (1) 47 42 57 50

■ Arpeggiona Quartet: plays Haydn, Schubert, Jolas and Beethoven; 8 pm; Feb 18 ■ La Damnation de Faust: by Berlioz. Conducted by Myung-Whun Chung and produced by Luca Ronconi, Soloists include Béatrice

Uria-Monzon as Marguerite, and Thomas Moser/Gary Lakes as Faust; 7.30pm; Feb 12 (3pm) , 15 Lucia di Lammermoon by Donizetti. A new production by Andrei Serban, Maurizio Benini and Roberto Abbado (from April) conduct the Orchestra and Chorus of the Paris National Opera; 7.30pm; Feb 11, 14,

#### **E** STUTTGART

OPERA/BALLET Staatsoper Stuttgart Tel: (07) 11

19703/4 ■ Macbeth: by Shakespeare, music by Verdi. A new production by Ruth Berghaus, conducted by Gabriele Ferro; 7.30pm; Feb 11 Conducted by Gabriele Ferro; 7.30pm; Feb 14

**WASHINGTON** 

CONCERTS Kennedy Centre Tel: (202) 487 4600 ■ National Symphony Orchestra Pops: Great American Music Ensemble. A Valentine's Day program; 7pm; Feb 17

**GALLERIES** Corcoran Tel: (202) 638 3211 ■ Family Lives: photographs by Tina Barney, Nic Nicosia and Catherine Wagner, Exhibition explores the power of photography to subvert or reinvent our experience and understanding of events and relationships; to Feb 13 National Gallery Tel: (202) 737 4215 ■ Italian Renaissance Architecture:

Brunelleschi, Sangallo, Michelangelo, the Cathedrals of Florence, Pavia and St. Peter's: to Mar 19 Sackler Tel: (202) 357 2700 ■ A Basketmaker in Rural Japan: examples of all 103 designs by Hiroshima Kazuo, the worlds greatest

basketmaker; to Jun 9 ■ Landscape as Culture: Lois Conner travels through Asia recording architecture and landscapes with her 100 year old banquet camera; to May

■ Paintings from Shiraz: the arts of the Persian book created in the city of Shiraz from the 14th to the 16th century; to Sep 24

OPERA/BALLET Washington Opera Tel: (202) 418

Semele: by Handel. Conductor

Martin Pearlman, Roman Terleckyj directs a Zack Brown production; 8pm; Feb 15 ■ Vanessa: by Samuel Barber.

Director Michael Kahn, conductor Christopher Keene; 8 pm; Feb 13

Arena Stage Kreeger Theater Tel: (202) 554 9066

(7pm), 16

Hedda Gabler, Henrik Ibsen's drama, directed by Liviu Ciulei and translated by Christopher Hampton; 7.30pm; to Mar 19 (Not Mon) Ford's Theater Tel: (202) 347 4833 A Raidin in the Sun: Seret Scott directs Lorraine Hansberry's award winning drama of an American family's struggle to achieve the American dream; 7.30pm; (Not Mon) Roundhouse Theater Tel: (301) 933

Dog Logic: by Tom Strelich, directed by Jerry Whiddon; 8pm; to Feb 19 (Not Mon) Studio Theater Tel: (202) 332 3300 ■ Conversations with My Father: Herb Gardner's autobiographical work, directed by John Going. Sun 2pm and 7pm otherwise; 8pm; to Feb 26 (Not Mon)

**ZURICH GALLERIES** 

Kunsthaus Zürich ■ Degas-The Portraits: a major new exhibition on the portraits of Edgar Degas; to Mar 5

#### CHESS

Whenever chess players discuss openings, the Sicilian Defence is high on the agenda. Its advocates have included so many grandmasters, from Kasparov and Fischer downwards, that 1 e4 c5 is the most likely way to start the game even at club and social level.

When meeting the Sicilian, there is a strong case for choosing the early Bc4 development which Fischer used in his peak years and which gave Kasparov some anxious moments in his world title match with Nigel Short.

Strategy with Bc4 is simple to understand. White's bishop pressurises Black e 17, aided by thrusts from White's f and g pawns. Black has to preserve a tricky balance between Q-side counter-attack and containing White's lead in development. As both Fischer's opponents and Kasparov found, natural replies may not solve Black's

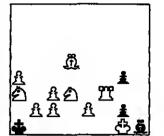
> 1994). 1 e4 c6 2 Nf3 d6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 a6 6 Bc4 e6 7 Bb3 7 0-0 is also interesting. If then Nxe4 8 Nxe4 d5 9 Bg5 Qc7 10 Bxd5 exd5 11 Re1 is promising, while 7... b5 8 Bb3 Be7 9 Be3! 0-0 10 f4 Bb7? 11 e5! dxe5 12 fxe5 Nfd7 13 Qh5 is a strong attack which has caught out

problems (Istratescu, White; Arsovic, Black; Belgrade

grandmasters. Be7? A natural way to prepare castling, but too slow. Kasparov preferred Nbd7,Nc6 or b5. 8 g4! d5 Else Black stays passive. 9 exd5 Nxd5 10 Nxd5 exd5 11 Nf5! Bxf5 12 gxf5 d4 13 Rg1 Bf6 14 Qh5 0-0? A better chance is Qe7+ with Nc6 and

0-0-0. 15 Rg3! Qe7+ 16 Kf1 Re8 17 Rh8! h6 if Qe1+ 18 Kg2 Qe4+ 19 Kg3 Be5+ 20 f4 Qe1+ 21 Kg2 Qe4+ 22 Kf2 ends Black's checks. 18 Bxh6! gxh6 19 Rg3-Bg7 20 Qg6 Resigns. If Qf8 21 f6 wins.

No 1061



White mates in five moves. against any defence (by F Kohnlein, 1907). One of my favourite problems, which looks impossible to solve. It takes a cunning plan to reach the BK cocooned in the white

Solution Page XVIII

**Leonard Barden** 

#### BRIDGE

Today's hand comes from rubber bridge of average standard:

A 65 ♥ K 10 7 **♦743** 4 Q J 10 8 **▲** 10 9 7 **♠ 8432 ★ K 10 8 6** # K753 7 A 9 6 4 2 **∳KQJ** ♥ AQJ8654 ♦ AQ2

With North-South vulnerable South dealt and started with two hearts, North said three hearts, promising trump support and an ace. South rebid four diamonds, and North showed his ace with four spades. South now tried five clubs, North signed off with five hearts, but South said six

West led the spade 10. Tak-

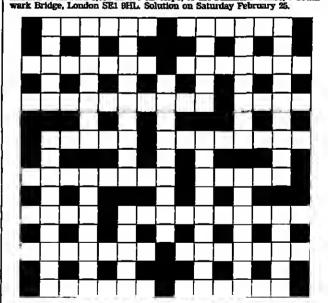
ing with his king, the declarer crossed to the heart 10 and drew West's trumps with king and ace. He cashed queen and ace of spades, then led a diamond and finessed the queen. It beld - the slam was delivered - and North uttered the usual cry: "Well played, part-Do we agree with North? No.

South's line happened to work, but there is a better way. Let us reason together. West cannot bold both ace and king of clubs. Would he not have led the king? At trick three after crossing to 10 of bearts, we play the club queen. This is covered by East's ace, and we ruff. We now cross to the beart seven, draw West's last trump, and return the club knave, or which we discard our diamond two. West wins, but the rest of the tricks belong to us. We cross to the spade ace, and cash the established club 10 for our 12th trick.

E.P.C Cotter

#### CROSSWORD

No. 8,684 Set by CINEPHILE A prize of a classic Pelikan Souveran 300 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of 235 Pelikan vouchers. Solutions by Wednesday February 22, marked Crossworf 8,684 on the envelope, to the Financial Times. I Southwark Bridge, London SE1 9HL Solution on Saturday February 25.



ALPHABETICAL JIGSAW thod: Solve the class and fit the solutions into the discrem lines

Queen has broken rule: round

W Forester or wind instrumentalist? (?)

sharpen (9)
Y Junior solvers' rage when not

starting (7)
Z Instrument: finally it's for a lady (6)

ent unknowns cut and

A Confessed to a number being O Instrumentalist needs roasting due (6)

B Gunner's pass? (7)

C Instrument with little room for love (5) P Magic drinks? Cannabis is no Q Instrumental sound in wharfs

D Pharmacist, not quite a prin-D Pharmacist, not quite a prin-cess (9)

È Lie square as a result? (9)

F Partiality embracing student of taste (7)

G World War I fiasco: pill turned us is complaining (9)

R Bird with natural opening in taly (7)
S Hit by industrial action (6)
T Astringent: Di can and I can't make it (6,4)
Yank model with little

instrument for ice-cream (6)

up in prison first (9) entalist wanting harn? strength (5)
U Awaken love and make us pure about it? (7)
V Someone of great importance to the queen is a snake (5) No, lyre (4,6)

I The sort of man who needs his d—? (5) J Instrument with box outside

Britain I must be French (4) K Sikh van exposed as dishonest I. Freshwater steamer that flew

the Atlantic once? (5)

M Come across as suitable (4)

N Renaissance of BBC man when thrown outside (3,5)

Solution 8.683

Solution 8,672 PARASITE ACCIDITA A E H E I M E LAGROSSE ASSAILL T N Y O A G E LINANE IMPERFECT H H I O L N L
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U V G C K P O N
ORIMACES STONED
H S L N O H E
TOIL STEPFATHER AGENCY OTTRRUP TOLL STEPFATHER
OATTPOOP
PUNISHMENT SLIP
I WETS YA
GASNEW COMPOEER
R T L O R O M S
SHALLOTS GODOWN 

WINNERS 8,672: Dr J.M. Haslam, Upton, Wirral; J.R. Adamson, Rayleigh, Essex; M. Brockbank, Southport; S.D. Lewis, Ormskirk, Lancashire; Mrs S.M. Robinson, Eaglescliffe, Cleveland; A.G. Tod,







Peter Aspden

# Give me a baguette instead of a headset

The recorded commentaries now provided in galleries are isolating visitors, instead of involving them in the art on show

something strangely unsettling about visiting an art gallery. It has something to do with the contrast between the stark emotion and dazzling technical bravura up there on the walls and the hordes of insipid spectators looking for a couple of hours to kill on a Sunday afternoon, "appreciating" in subdued and joyless

The disturbingly passionless atmosphere is perfectly realised to the opening scenes of Nicolas Roeg's psycho-dramatic masterpiece, Bad Timing, in which Art Garfunkel and Theresa Russell

wander round the Klimts in the centre of Vienna. "They look so in love," she remarks in front of one rich, erotic canvas, only to be cut dead by Garfunkel's sarcastic "That's because they don't know each other yet." It is a resonant evocation of the distance between the raw expression of the artist and the judgmental detachment of the observer

All this could he about to change, however. The news that London's two premier galleries, the National and the Tate, are to use CD-Rom and micro-chip technology to provide portable commentaries for viewers promises to

herald a new era in art appreciation. They are not alone; in fact, other countries have already made steps along this road.
I visited Amsterdam's Rijks-

museum last week to see a beautiful little exhibition of medieval paintings on the theme of religious devotion. In the room containing the display - very dark to protect the paintings, or maybe just for the hell of it - about 90 per cent of the spectators wandered round in "interactive" headsets. It made them chillingly unaware of the people round them as they gazed at the exhibits with rapt attention, being given their potted histories

versation between the visitors was minimal. All the talking was being done by machine; man just stood and soaked it up (why don't they ever call it an interpossive experi-ence?). Typically, amid all this talk of technological advance and educational empowerment, we have contrived yet another way of driv-

or her own private space. We will, say the defenders of the headsets, become immeasurably better informed on the works in

ing the individual deeper into his

and biographies along the way. say, A Bigger Splash, listening to Needless to say, the amount of con-Bradford drawl incanting the delights of Californian swimming pools makes me want to, well, dive into one.

I have a shamelessly romantic view of art and artists. I love those biople movies such as Lust for Life or The Agony and the Eastasy, in which groups of bearded bohemians meet in cases and say things like: "Ah, here comes Seurat - he is obsessed by little dots ... " and "Oh, shut up, Degas, all you ever do is talk about your ballet dancfront of us. I am not convinced: the ers!". I love them to roar with thought of standing in front of, langhter, dance on tables, take

countless lovers and lose parts of their face in arguments over brush-stroke technique.

I want to look at art made by ile who rowed with popes, who lived in adulterous ménages d quatre, who took so many drugs it is a wonder they managed to produce anything at all. Give me a tormented soul, an anguished genius stripped naked on the canvas, and I will respond in kind. What I do not need are the plummy tones of an academician dispensing advice on what I should be noticing, nor the complacent "insights" provided by hideously wealthy artists telling me how

sunny it is on the other side of the globe right now. As the creeping silence of uniformity all around us begins to take over, it is more important than ever for art to make a stand for rebellion, lor noise, for the good life.

Art galleries have got it wrong. What they should be providing is little would tables in the middle of the exhibition hall, with a baguette, a bottle of beaujolais and a sketchpad to keep us company. Then we could shout and argue, and laugh at those who had the temerity to shut themselves off from our ribald world with a weedy pair of hi-tech headphones.

## The great wedding paperchase

Mariana Schroeder found the path through bureaucracy to marriage is not a smooth one

had been in Germany for less than a month when a headline in the tabloid press caught my eye. Statistics show a woman over 40 is more likely to be shot by terrorists than to find a husband." I made a mental note to scratch the world's trouble spots from my travel itinerary

Then 1 met Henning. He was strolling down Munich's most elegant street in an Armani suit; tall, blond and handsome, He had a touch of grey at the temples, a tennis tan and wonder of wonders - he was just one court decree away from being single. If 1 had a bullet with my name on it, here was the man to save me

The plots of romantic novels usually make my skin crawl. but in those first weeks after our meeting I hegan to live one. We picnicked in the park, rode bleycles through the Bavarian countryside and ate by candlelight on tables not nearly big enough lor one person, never mind two.

Falling in love is something of a miracle when you have passed the age of disappointment. "It's the body that ages," said a friend. "The leeling stays the same."

The risks and possibility of failure are too obvious. All your menas are alvorced of wished they were. Laughter lines have hardened into wrinkles and the voice of reason

keeps shouting in your ear. We did not get married in a lever. We skied, we fought, we loved, we debated until we were ready. He got down on his knees to ask me. I got down

on mine to accept. There were 20 people ahead of us in the queue to book a date at the register office, but love made light the hours of

The blonde behind the desk had long run out of smiles. Could I get some general information? Not until the forms when you have all the neces-

"I don't have a birth certificate," I said in a meek voice.

"I never had one." "That's impossible." I tried to explain that I had been born during the the second world war of an

war zone, and had entered the US as a displaced person from a country that no longer

"No birth certificate, no marriage."
Two days later 1 was on my

way to Zagreb. I went to the Ministry of the Interior, the Department of Births and Records, the Department of Statistics - and the nearest bar. There was no evidence of birth. But they would be able to issue a post-natal certificate of birth if I became a Croatian citizen.

"But I am an American." You can also be a Cro-

"But I would lose my American citizenship. "We won't tell

"And if they find out?" Then you can live here. We are also a democracy." 1 drove further east, past

Henning went to the register office alone because I was beginning to show homicidal

bombed-out houses and other scars of the recent war. According to my mother, I had been secretly baptised at the home of a relative to avoid the German authorities, who were then not too friendly to Americans in occupied territo-

tendencies

Somewhere along that endless rutted road through East Slavonia 1 began reflecting on love, marriage and the absurdity of life. German bureaucracy was now forcing me to unravel the tangled web of relationships that had begun long before my hirth.

I found the ruins of a town near the Hungarian border and a 92-year old relative, whose bright hlue eyes still laughed. "I remember it like yesterday. They shot the priest - I don't know who it was - the Germans or the communists. Near American mother and an eth- the end of the war it was. 1 nic German father living in a spent the whole night baking

cakes, but we couldn't throw a party because of the war.

"Your mother thought the Americans were coming and we laughed at her." She blew her nose in a threadbare handkerchief with my father's ininer. Two days later I left with a copy of my baptismal certificate and a biscuit tin of faded It took another three months

to get all the other required documents - university diplomas, income statements, divorce records, old marriage licences - all translated and certified at considerable expense. We got back in line at the register office.

This is not a birth certificate," said a ruddy-faced man holding a pencil stub. 1 pointed out it was the best I could do. I would have a proper one had the Germans not detained my mother and prevented her from leaving Yugoslavia. He shrugged his shoulders and shoved our papers back across

The Croatian vice-consul in Munich was very understanding and promised to help, but the autumn wedding we had planned was obviously not going to happen. In December the long-

awaited document arrived: a stamped, certified, numbered ous document in that it birth, Borovo, a wasteland that had changed hands in the war that preceded Bosnia. There were minor inconsistencies but it was a birth certificate.

By our third trip to the Standesamt we had developed a new strategy. Be at the door by 7.30am, freeze for half an hour or so, then charge up the stairs to be the first in line. A large heavy-set woman checked the documents that had by now grown into a file the size of the London telephone directory.

from the two cities he had lived in before the age of six. And there was the question of the bride-to-be's citizenship. "What question?" I asked, whipping out my navy blue

Henning needed records

passport.
"A passport is not proof of citizenship. Your birth certifiborn in America.

By the fourth visit we were back to the gentleman with the maiden name was questioned,

Henning helped me draft a sworn statement explaining that I was a citizen of the US and that I had been born in Zagreb-Borovo. We hoped they would not check the map and see that 400kms and a noncrossable, tank-enforced border stood between the two

erai inconsistend

cannot overlook."

Henning went alone to the fifth, sixth and seventh encounters because I was beginning to show bomicidal The US Consulate was called

in. The State Department was contacted. More certified translations and sworn statements

Months dragged on. Our win-ter wedding took on shades of spring. The coat I had bought gave way to a suit and a straw hat and we still had no date. The appeals court of Bayaria had to rule on my "eligibility" to marry, a mere routine that cost another £120. My mother's

as we spoke. "There are sevto be "odd".

ed by and April dawned. "We'll sue," Henning declared calmly. We'll take them to court. They have to marry us." I cried and cancelled our honeymoon for the third time.

Finally the paperchase that had begun to August ended. Henning and I were to be married on a balmy day in April. But just three days before the wedding, we received an urgent call from the Standes-

pencil stubs was satisfied that all our documents were in order, his superiors were not. Could I change my place of hirth and swear that my mother did not know how to spell her maiden name?

I screamed, Henning negotiated. In the end I changed my place of birth and conceded that there were two possible spellings for my mother's maiden name.

Could my mother confirm this? Unfortunately, she was deceased. Did I have a death



pencil stubs. He sharpened one my divorce decree was found exchanged looks.

The ceremony is even now a

squeezed my hand. A year has gone by. Terrorists don't bother me. It is the bureaucrats who give me

### ing objections I almost kissed certificate? Henning and 1 him. The ceremony took all of of me went into labour. The with the pencil stubs had been signed my name. Henning near the head of my private one behind me wore irridesenemy list, second only to his cent purple. I said "Ja" instead of "I do". enigmatic, unidentified "superior". But when he agreed to no one suggested Henning kiss bureaucrats marry us despite the remainthe bride, but he did anyway. nightmares. rior". But when he agreed to

As They Say in Europe / James Morgan

# Just because we're paranoid

British find themends of the argument so often that their disontes seem a fact of life. Each sufunnshally apparent in hilateral relations. Think of two sets of headlights blinding each other.

In the 1960s, I attended an Anglo-French encounter at Twickenham where there appeared an English banner recalling the French veto on Britain's entry into the common market. In those days, France often won rughy matches against England, today never.

Similarly, the French radio commentary on last week's game depicted it as a series of refereeing errors which reached a high point when the French fullback, Jean-Luc Sadourny, was taken off with a hleeding leg. The commentators were furious, but the about with a number of sec-

wound had been inflicted by his colleague, Abdel Benazzi, not by some English thug. For the uninitiated, England won the game with ease.

Meanwhile, the English papers rage about endless oppression from Brussels. British officials allegedly negotiate away the pound sterling while the government pretends opposition to a single currency. Europeans earn a trade surplus at our expens Rules are designed solaly to achieve the humiliation of England. Europe's "jealousy" will mean the end of London's red buses.

In Saturday's Times, another plot was revealed: an exhibition at the Royal Academy about an 18th century grandee, Lord Burlington, excludes any mention of his enemy, Hogarth. Hogarth was a true Brit patriot, Burlington slavishly followed continental fashion. It is true he knocked

also bequeathed us part of one of London's better thoroughfares, the façade of the Royal Academy itself and an eponymous arcade. For The Times, the structure of the exhibition meant "The Eurofanatics have

won a triumph". However pronounced French paranola, there remains a still, small voice of sanity. French rugby writers are tanmune to the sour virus, even though they read The Times. In L'Equipe, Pierre-Michel

Bonnot told us that he had read an item in Saturday's edi-tion headed "Do the English like animals better than their fellow humans?" He went on. "The answer was to be seen in the faces of the French forwards, marked in their flesh and their amour-propre in the aftermath of a defeat which was, however, less 'beastly'

than the preceding seven. "Yes, the English do like nament. They love . . . those eight heasts who make up their pack of iron. As for us, we don't at all like those French bosses who, to the lim-Ited interests of vague local clubs, send the best of French rugby in rough conditions to the abattoir."

Le Figaro's Renaud Matignon was among the French who took the train to London for the first time. Their sense of impending doom preceded their arrival at the indelicately named London terminal, Waterloo. "The day before yesterday we expected the light of Austerlitz. But It was the sun of Waterloo ... France as gloomy as a Dickensian lawyer, England in its finery presented its most gracious face. All the better to eat us

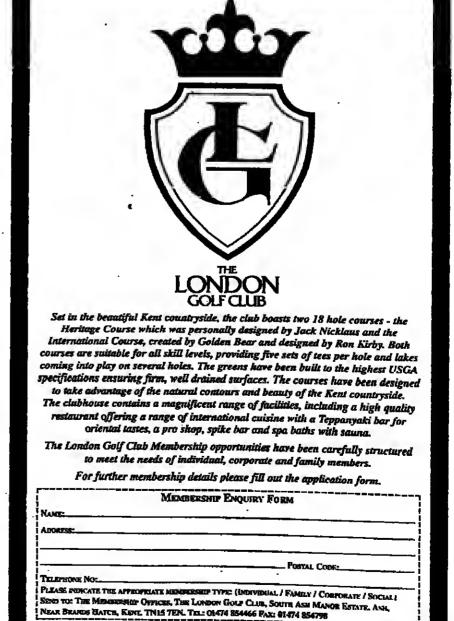
"On the wonderfully ontdated roads from London to Twickenham, the traffic jams brought together Rolls-Royces,

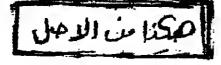
cuits and flowered frocks), and cabriolets, sometimes open in the light wind. It might have been the fifties."

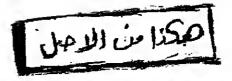
There followed a personal count of the game, the amia bility of its fans and its apt conclusion: "The Englishman who is a perfectionist, crowned the match with a success in the very last minute because it is not done to finish a sentence without the appropriate punctuation. That is

English grammar." The French, unless they are broadcasters, are able to keep their paranola in check, reserving it for such trivia as trade policy and television. When it comes to matters of civilisation, they display great openness and generosity of spirit, an example to the xenophobes at the western end of the Tunnel.

■ James Morgan is economics correspondent of the BBC World







#### WEEKEND INVESTOR

#### Directors' dealings

Monty Sumray has long been associated with FIL the footwear group, so his sale of 595,000 shares surprised the market, writes Vivien MacDonald of The Inside Track, His son-in-law, Arthur Keogh, also sold his stake of 300,000 shares; these, together with other family holdings, accounted for a total stake of around 11.7 per cent. Incoming

bought almost 64,000 shares and two other directors bought a further total of 150,000. ☐ Robert Leigh, chairman of Electron House, an electronic components group, sold 100,000 shares at 162p and then exercised an option over a further 30,000, selling them at the same price. Chief executive option over 70,000 and sold these, too.

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Fil Group	Text	212,682	670	3
Heynes Pub	Mdla	61,969	204	2
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#### New issues

What should have been a busy week for new issues ended with two being pulled and a third delayed, writes David Blackwell

The planned £50m flotation of Century Irons was knocked out on Tuesday by a surprise inquiry into the wholesale heer trade, while holiday company Sunsail International cancelled its £20m listing plans on Thursday, Both companies pulled their floats just 24 hours before impact day. Alistair Arkley, Century

Inns' chief executive, said the Office of Fair Trading's announcement of the inquiry had come as a hig surprise. "It's not many companies that get a government release a day before flotation." The amouncement,

however, was perceived widely as opportune for Century, which was having trouble getting the issue away.

The OFT inquiry, which is expected to take three months, will look into the difference between brewers' wholesale prices to tied customers and to the free trade. Century makes the bulk of its profits from supplying beer to tenants at its 300-plus pubs in north-east

Sunsail International, which operates sailing holidays and has more than 650 yachts world-ide blamed its decision on the difficult climate for new issues. Christopher Gordon, founder and managing director, said he was bitterly disappointed but added: "A belly-flop float was not in the interests of all our shareholders." Computer Management

Group, one of Europe's largest privately held computing services companies, on Monday said it was delayeding plans to float in the spring because of market conditions. The decision followed a string of weak results and profit warnings from companies that have come to the market over the past two years.

acquire London Jazz Radio in 1991, is expecting to report further operating losses this year, according to Monday's pathfinder prospectus. The group, which is expected to be valued at about \$20m. now trades under Rule 4.2. It aims to raise £5m to £6m through a placing to pay £1.5m debt and Dailywin Group, a Hong Kong-based watch-maker, said

Golden Rose Communicat-

ious, the company formed to

on Wednesday it was making a placing in London to raise £2,8m net of expenses to help finance expansion in China. The group, which is expected to be valued at about £20m, is coming to London because it is too small to be listed in Hong Kong under tougher regulations introduced last

Dailywin makes watches sold under several brand names including Sekonda, Accurist, Casio and Timex. Manufacturing and assembly plants are about 20 miles over the Hong Kong border in southern China. The group wants to add a new factory and Zotefoams, a specialist

foams-maker which is coming to the market in a £50m flotation, this week announced a 62 per cent rise in profits to £4.59m on turnover of £17.8m (£14.4m) following increased productivity and improved sales in North America. The company plans to use funds from a £15m institutional placing to clear the way for a £7.5m expansion, aimed at exploiting its position as the UK's leading supplier of cross linked polyethylene

Photobition Group, an exhibition services company, published its prospectus on Thursday. It is raising a total of £8.5m, of which £3.4m is new money for expansion. The shares were priced at 150p, valuing the company at

Earo Fire Prot.

#### 1024 686 9.4bn otherwise indicated. "All cesh offer. \$For capital not sed on 12.30 pm prices 10/2/85, \$§Shares and cash

**Bids** 

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ent takeover bids and mergers

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Glaxo started the clock ticking this week on its £9.1bn bid for Wellcome by publishing the offer document along with the announcement of its interim figures, writes David Wighton.

Under its agreement with Glaxo, the Wellcome Trust, which owns 39.5 per cent of Wellcome's shares, must accept Glazo's offer unless a higher rival bid is launched within 21 days of publication of emerged that, if a higher bid was received by March 8, the trust could withdraw its accep-tances unless Glazo could claim more than 50 per cent of the shares at that stage.

fall in the sales of its drug Zantac. Total sales grew just 2 per Michael Heseltine, the trade

Glazo's figures showed a 10

per cent rise in profits to

and industry secretary, kept Northern Electric shareholders in suspense as they awalted his Trafalgar House's £1.7bm bld to the Monopolies and Mergers Commission. He is expected to week. Northern has until next Friday to produce its final defence unless Heseltine intervenes or Trafalgar raises its

#### E Signite assess

BTP is to raise £51.8m via a 1 for 6 at 225p rights have of 23.7m shares. Bath Press Group is to raise ISm via z 5 for 1 at 10p rights issue of 50m shares. Sharoo is to raise 21.4m via z 1 for 3 at 90p rights issue of 1,55m shares.

Bath Proce Group is to miss \$5.55m via a placing of 25.3m shares at 10p. Beales is contring to the market vis a Solation.

Greenwade Oli is to raise 218.5m vis an issue of 94.5m shares at 20p and 21.7m vis a placing of 8.4m eberes at 20p. Deliyatin Group is coming to the starfest via a 25m placing Finalisty Asset Management is to raise at least \$25m via a placing and offer of the Finalisty Woodshide Phermacoultest Touck.

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In the Pink

### A nightmare for global investors in the making?

David Roche examines China's prospects as a trade war looms with the US over piracy of information software

on the emerging markets of south-east Asia, is president of Independent Strategy, a new investment

he threat of a trade war between the United States and China over the latter's massiva and uncontrolled piracy of information software exposes the biggest potential nightmare for global investors this year. It is the vision of an overheated Chinese economy, rudderless because of indecisive leadership, blundering and crashing through international trading laws and regulations like a King Kong let loose in the global trade

If that should come about, China will make the impact of Mexico on global markets feel like a pin-prick. But it need not happen for, in the longer term, the People's Republic has many of the attributes needed for a successful transition to a modern economy. The dispute over intellectual property rights is only part of the growing friction between the US and China in the international markets. The US dropped its condition that Beijing adopt international standards for human rights before granting it most-favoured-nation status last year, but has resisted China's application to join the new World Trade

Organisation. China wants to join as a developing nation, with all the trading advantages over OECD nations that this implies. Already, though, it is a trading colossus, the 11th largest in the world. Thus, the US feels, it should join as a developed nation, competing on level terms.

What really motivates this growing trade deficit that the tives. One is that inflation

US economy is running with China as it spews out its cheap consumer goods into

These concerns about China might not prove cataclysmic if it were not for the growing risks to China's domestic economy and political stabil-ity. Deng Xiaoping did not appear at China's new year celebrations at the end of Jan-uary, and nobody doubts that the days of the "paramount

The effects of a prolonged power struggle are likely to be felt outside China as well, particularly in Hong Kong

There are two conflicting But if the SOEs are allowed to theories about the succession to him. One is that it does not matter because China has only one way to go - straight down the rosy road to prosperity. The other is that conservative forces which oppose economic liberalisation could go back to the old economic ways, with dire consequences

I doubt that China will do that but there certainly is a formidable array of conservative opinion against Deng's economic reforms. The conservatives are not opposed to economic reforms as such, but want them implemented slowly. Without Deng to mediate, the leadership struggle could paralyse decision-mak-ing in the government.

China has experienced unprecedented growth since the Deng reforms began but there have been recent signs of over-heating as Beijing's economic policy tries to recon-US resistance, though, is the cile two contradictory objec-

because it widens income dif-ferentials between town and country, and between haves

and have-nots. On the other hand, the economy cannot be restrained too much because that would bankrupt the state-owned enterprises (SOEs), which employ nearly 75 per cent of the urban labour force. About 45 per cent of them lose money, and their debt has reached a staggering \$70bn.

Around 40 per cent of China's trade goes through Hong Kong.

> go bust, unemployment would rocket - and that is the sort of political risk that the leadership will not take.

By not facing up to the SOE issue, the banking system can-not channel China's huge savings rates into productive investment opportunities. The nation invests more than 40 per cent of its national output. Domestic savings provide

Because of mefficiencies in the banking system, however, around 10 per cent of gross domestic product disappears into the black hole of the lossmaking state sector. Hence, there is an over-reliance on foreign capital inflows (now running at 11 per cent of GDP) to finance growth.

Over the past decade, China has accumulated \$90bn in inward investment. In the past year alone, \$35bn of capital came in, of which \$29bn was foreign direct investment (FDI). The single biggest danis that these inflows might stop - and that could happen if China turned in on itself during the inevitable post

Deng power struggle. The effects of a prolonged struggle and economic mismanagement are likely to be felt outside China as well, par-ticularly in Hong Kong. Around 40 per cent of China's trade and 60 per cent of its FDI goes through Hong Kong. As 1997 approaches, I expect

capital to move out and so put pressure on the Hong Kong dollar. The cost of defending the HK/US dollar peg will be unacceptable to the Chinese government, because either it will deplete Hong Kong's foreign exchange reserves or cause a crash in the real

estate and equity markets. At present, the Chinese ren minbl is strong - but much of this is due to the "round tripping" of loans from Hong Kong made to middle-men in Chinese corporations. They take out a loan at 9 per cent in Hong Kong, then change that proceeds into renminbl and

lend it on at 25 per cent. This creates demand for ren minbi and so strengthens the currency further. That is fine if the renminbi does not fall. But it will, given China's high inflation. Then, the music will stop and very little of these loans will be repaid. That is a major risk to Hong Kong

Investors can factor in these risks by setting a range for the Hang Seng index below what it might otherwise be. I would be a buyer of Hong Kong with the Hang Seng below 7,500, and a seller at 10.000.

I expect a slow-down in the US economy this year. That should remove enough of the cyclical interest rate risk in Hong Kong to permit the equity market to climb to the upper limit of that range. ger to China's reform process Beyond that, we will see,

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# Weekend

There is increasing optimism that the US Federal Reserve

will be able to hold back infla-

tion while keeping the econ-

omy expanding at a more mod-

erate pace, and that US

interest rates, which have

risen sharply over the past

year, may be near a cyclical peak. In Britain, similar senti-

ments are taking hold, follow-

ing the recent succession of

the past 15 months on expecta-

tions of rising inflation and rapidly expanding demand. But

this week, speculators and

investment funds began pull-

ing money out, driving the

price of everything - from cop-

per to cocoa - down sharply. A good proportion of that cash may find its way into equity

One of London's more bull-

ish analysts is Edmond Warner

of Kleinwort Benson who pub-

ished a much-quoted note this

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and bond markets.

Wall Street

### Pessimists find cause for their concern

Maggie Urry reports on a week where bullish hopes were unrealised

spent much of zen, in all senses. Trad ers trudged to work through deep-piled snow to find the market unable to move far from the spot where it ended the previous week, just before the temperature plummeted.

After the surge in bond and share prices following the unexpectedly good headline employment numbers the previous Friday, investors have been waiting for more economic statistics to see if they would confirm the bullish hopes that were raised. Had the Federal Reserve, by

pulling back economic growth to a sustainable rate without causing a recession, and keeping inflation at a reasonable rate, pulled off the economic equivalent of a triple somer-

Unfortunately for those impatient to find ont the answer, there has been a dearth of numbers to pick over. Not until yesterday's producer price statistics was there anything substantial to ana-

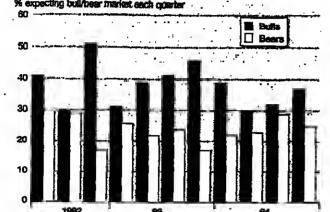
lyse. The headline figure, showing a 0.3 per cent rise in the prices of finished goods last month. was a touch below the consensus forecast of 0.4 per cent. The immediate reaction was, therefore, good, but the difference between forecast and outturn was not so large as to cause another sharp rally.

Until more evidence comes in, strategists and fund managers remain divided between those who think the Fed has increased interest rates for the last time, and those who expect another one or two rises in short-term rates. It could be May before we find out who is

Even if there are no more increases, however, there are bound to be some nasty surprises along the way. The great spectre of inflation is likely to make an appearance in some of the statistics. It would be strange if prices did not rise at this point in the business cycle, even if the rate of inflation stays within prudent

Similarly, other economic statistics are likely sometimes only because one month's numbers are such an unreliable guide to a trend. Indeed, Cornelia Small, global equity strategist at fund manager Scudder, Stevens & Clark,

US investors' expectations % expecting buil/bear market each quarter



points out that an excessive amount of bullishness has been based on "one silly num-

In her view, slowing an economy which has been growing as strongly as that of the US takes more pain than has been experienced so far. Mexico and Orange County are two places where higher rates have left casualties. It is probable that the pain will strike again, but

Jack Church, chief investment officer at the Glenmede Trust company, another money management group, is more upbest in hoping that the Mexican and Orange County crises are the ones which mark the top in this interest rate cycle. He believes that the surprises for the market will be good

Investors are still highly nervous. Although sentiment is beginning to improve, as the chart shows, it is still at low levels. A chart of sentiment among investment advisers would also show a great deal of pessimism although here, too, the line has turned upwards.

The brave investor is the one

who buys before the herd. But after the losses sustained last year, particularly in bonds (which, after all, are supposed to be the low-risk choice), and with money market funds now showing a much better return than they were a year ago when the Fed started raising interest rates, it could be some time before private investors

An interesting sideline to the market has been the rise of the broader S&P 500 index relative to the Dow Jones industrial

The latter, which covers 30 shares, has a heavy blas towards cyclical stocks which do well as the economy picks up. Profits for these companies rise sharply as extra volume turns to disproportionately large gains in earnings.

The Dow did better than the S&P 500 in 1994 but, so far this year, the wider index has out-performed, with the S&P 500 topping its all-time high during

Even better recently has been the performance of the Nasdaq index. This contains a greater proportion of technology stocks which have been buoyed by expectations of fast

Corporate profit news continues to be good. With most of the earnings figures for 1994 now in, the positive surprises have far outweighed the negativa. Yet, good news often failed to lift share prices during the week. As investors look ahead to a slowing economy and less-vibrant profits growth, past successes are forgotten

Figures from Goodyear, the tyre-maker, emphasised that profit margins have reached their peak even if profits have not yet done so.

Goodyear sald it was proving difficult to pass on commodity price increases to customers. while labour costs were also rising faster again. It is news like that which supports the

3937.73 : +9.09 3937.39 -0.84 3935.37 -2.02 3632.68 -2.69 Wednesday

# City sees a glint of sunshine

Martin Dickson detects signs of an early spring

lu may be ravaging offices and factories across Britain, and dismal winter weather still envelops the land, but there has been a touch of springtime optimism around the stock market this week.

The FT-SE 100 share index gained ground on four of the five trading days, and marked time on the fifth, to end 50.2 points up on the week and at a high for 1995 of 3,109.9.

Could this be a sign that the Footsie is on the point of breaking upwards out of the 2,950 to 3,150 trading range in which it has been stuck since last summer? Or is this yet another false dawn?

Certainly, market sentiment in both tha US and across Europe has improved significantly over the past week since a surprisingly high figure for US unemployment in January was announced on February 3, prompting a sharp rise that day in the US equity and bond markets.

Copper

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FT-SE 100 Index

Eurotunnei Uta

MFI Furniture

Warburg (SG)

FT-SE Mild 250 Index

■ Highlights of the week

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LME 3 month 5 per tonne

week arguing that the Footsie is likely to "burst up out of its trading range. Those waiting for unambiguously positive news may pay a heavy oppor-tunity cost," he said.

Many analysts argue that Britain's big annual results season, which is about to start rolling, could mark a significant, positive shift in perceptions of the value of British equities - aven though the City is expecting UK PLC's This viewpoint has just received significant support in the commodity markets, where earnings growth in 1995 to slow to about 15 per cent from prices have risen sharply over nearly 30 per cent of 1994.

Warner argued that the big dividend rises companies are expected to unveil over the next month or two will make equities much more attractively valued relative to gilts. He said the yield ratio - the ratio between the yield on long gilts and equities - should drop from the current 2.1, which is hardly demanding by past standards, to about 1.9 assuming gilts prices hold

steady. There are, however, plenty of

15-year benchmark bond yield

OFT inquiry into beer prices



bears around who argue that this optimism is misplaced; that neither the US nor the UK government has really quashed inflation; that interest rates still have a considerable way to rise; and there will be no economic "soft landing". All this, they argue, coupled

with UK political uncertainty, will maintain downward pressure on both gilt prices and sterling at best keeping equities within their trading range.

of the past week suggest that the market is, at least temporarily, more willing to listen to the optimists than the

The bull case was strengthened yesterday by a solid set of results from Lloyds Bank, which started the bank reporting season with a 26 per cent rease in pre-tax profits to 21.3bn. The figures were broadly in line with expectations, but their composition pleased the market, suggesting a pick up in loan demand and a nce of margins. They pushed retail bank stocks sharply higher. The investment banking sec-

tor had a more mixed week. Shares in S.G. Warburg, Britain's leading merchant bank, were affected by staff defections, most notably that of the two leading figures in its equity capital markets divislon, who moved to Morgan Grenfell, the merchant bank-The losses reinforced City

concerns that Warburg may be drifting following the collapse of its recent merger talks with Morgan Stanley, the Wall Street investment bank.

Warburg is still seen as a possible takeover candidate. but there was evidence this week of a shift by investors from Warburg stock into Kleinwort Benson, another merchant bank which has been the subject of bid speculation.

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Me want to

One of the week's worst performing sectors was brewing. thanks to the announcement on Tuesday that the Office of Fair Trading is to investigate brewers' wholesale prices. The inquiry centres on estimates that free houses can buy beer at one third off the list price but tied houses have to pay brewers the full amount.

The City is concerned that the OFT inquiry could lead to a further inquiry by the Monopolies and Mergers Commission. The MMC's last investigation, in the late 1960s, concluded that the brewers ownership of pubs limited competition. It forced the industry to sell some of its outlets and

led to a price war. News of the OFT inquiry prompted analysts to cut their try, amid warnings that the investigation could stall further rationalisation of the sector, which is suffering from excess brewing capacity. In particular, the City thinks that Foster's Brewing of Australia would like to sell Courage, Britain's second largest brewer, and its half stake in Inntrepreneur Estates, a pub owning joint venture, but fears the process could be stalled by Against this background.

brewing stocks could underperform the market for some time. The springtime bopes stirring in the City are likely to prove cold comfort to the Beerage.



**Barry Riley** 

### Pensions head for a dark age

The state scheme isn't safe - it's the biggest swindle of all

might well turn out to have been a golden age for pensioners. The living standards of retired people have improved significantly in recent years, especially for the wealthier of them who have benefited from the spread of occupational pensions. But the future prospects are looking murkier as the state withdraws

Certainly, old age security is not obtained without a struggle. One of the hazards was emphasised this week when a life insurance group, Lloyds Abbey Life, announced it was increasing to £80m its provisions against claims for mis-selling of personal pensions. If other companies eventually pay the same sort of compensation, the total hill for bad advice will come to

So much for personal pensions. Company schemes surely, are much safer? Not if you ask Maxwell group pensioners, who for more than three years have been subsisting mostly on emergency relief. At least there is good news here: last night, it seemed that a settlement had finally been cobbled together to secure the pensioners' future. But it has all been confused and unsatisfactory.

And if crooked raids on funds are, thankfully, rare, consider also the plight of

Hunter, the defunct shipbuilder. Tha trustees of the pension scheme are proposing to cut some benefits to as little as 60 per cent of Ah, you might say, thank

odness for the state scheme It has the government's guarantee behind it, unlike these insubstantial private sector arrangements. But the state scheme is the biggest swindle of all. No private sector pensions provider would be able to get away with such blatant deception and betrayal of promises.

The basic state pension was worth 20 per cent of average earnings late in the 1970s, but the Thatcher government then shifted its index link from earnings to prices (in effect, cutting 2.4 per cent on average every year off what the pension would have been). So, the pension is now

worth only 15 per cent of average earnings and could fall to just 7 per cent in 50 years. As for the earnings-related second tier of the state scheme, called Serps, it was devalued substantially

in 1986 and now faces a further attack. Richard Disney and Paul Johnson, of the Institute for Fiscal Studies, have pointed to new proposals tucked away obscurely in the new Pensions Bill. The bill was supposed to improve the security of pensioners; indeed, company

schemes will be regulated more tightly. But state scheme commitments are again being torn up. Technical changes to the indexation provisions for Serps could eventually halve the benefits in real terms.

In fact, state pension benefits all over the world are coming under intense pressure. Demographic shifts

> State pension benefits all over the world are coming under intense pressure

are making the promises for them unaffordable. The old-age dependency ratio - the numbers of retired people to those of employment age -will double in Europe between 1990 and 2040.

The Organisation for Economic Co-operation and Development, representing 20 rich countries, has calculated that an extra payroll tax (increasing gradually to 15 per cent by 2050) or an equivalent will be needed to pay the bills. Italy's desperate plan to slash benefits caused armies of pensioners to go on the march in December and, effectively. brought down the Berlusconi government. New Zealand has brought in a subtler variation: a 100 per cent tax on the state pensions of wealthier retired Evidence submitted by the

UK National Association of Pension Funds to an investigation which it is sponsoring - the Retirement Income Inquiry - attempts to answer the question of what, or who, is going to plug the gap left by the decline of the

Occupational pensions provida only part of the solution. Even at their peak they covered only just over 50 per cent of the work force, and the proportion was down to 48 per cent – and falling – when last measured in 1991. There is nothing better than a good final salary scheme, but comparatively few people are

in them long enough to build up full benefits. The government's answer is personal pensions. Around 8m people are paying into such plans but most of them are hopelessly inadequate. Some 3m are "rebate only", based on the 4.8 per cent national insurance contributions that

otherwise, would go into Scarcely any employers, and few employees, pay more than these rebates into personal plans. In contrast, the typical final salary occumational scheme is based on contributions of nearly 15 per cent of pay (two thirds from

The NAPF has done some

that another 5 per cent is paid into a personal plan (making 10.8 per cent in all). For many people, this would give a tolerable result, especially for mobile workers who do not eet the best out of final salary-based company schemes. Even so, there are hazards from high charges and possible stock market

upsets.
This leaves open the question of how ordinary people are going to be persuaded to pay substantial contributions throughout their working lives. A rush to catch up later in life is not very effective: early career contributions pay off much more handsomely, thanks to

compound interest. In fact the NAPF concludes that people will not be persuaded. They must be compelled to contribute something like 5 per cent more than the rebate.

Perhaps part of the burden could be borne by employers. Other countries are heading down this road: Australia has a 3 per cent employer contribution which will rise progressively to 9 per cent. But is a compulsory contribution, albeit into a private pension fund, very different from an extra tax?

Whatever is done, we will have to pay up, one way or another, if the early 21st century is not to become the dark age of pensions.

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